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Cuba

Cuban Official Confirms Resignation of Colombian Envoy

PA2701185996 Havana PRENSA LATINA in Spanish 1804 GMT 27 Jan 96

[FBIS Translated Text] Havana, 27 Jan (PL) — The Cuban Foreign Ministry today confirmed to PRENSA LATINA the resignation of Colombian Ambassador Ricardo Santamaria.

Pedro Prada, adviser to Cuban Foreign Minister Roberto Robaina, said: We have received the news of Santamaria's resignation. In response to a question, he said Santamaria "helped strengthen relations" between the two countries.

Prada added: It was up to Santamaria to restore diplomatic relations (on 28 October 1993). Prada did not mention the reasons for Santamaria's resignation, however.

According to the media in Santa Fe de Bogota, Colombian Government sources have said the ambassador to Havana had informed President Samper yesterday of his resignation through the Colombian Foreign Ministry.

Santamaria, who was national security adviser during the government of OAS Secretary General Cesar Gaviria, is the fourth Colombian ambassador to resign this week.

Cuban Minister on Colombian Crisis, Envoy's Resignation

PA2701210696 Havana PRENSA LATINA in Spanish 1950 GMT 27 Jan 96

[FBIS Translated Text] Havana, 27 Jan (PL) — Cuban Foreign Minister Roberto Robaina regretted today the crisis prevailing in Colombia and said his country would like to see it resolved "in the best and least traumatic manner possible."

Asked about the status of bilateral relations and the resignation last night of Colombian Ambassador to Cuba Ricardo Santamaria, Robaina said relations between the two countries "are and continue to be special."

Cubans would really like to see Colombia resolve its crisis in the best manner possible and with the least trauma, the minister said.

Robaina added that the Colombian diplomat's resignation is a decision that is only up to him and to his country's government and which "we, of course, respect."

It is a phenomenon that is evidently part of the very complex situation, in which a series of things have been said, but in my opinion, there are many things that remain to be said, Robaina said. The Cuban foreign minister described the situation as "very regrettable for Colombia, for the region, and for the world."

The resigning ambassador, Ricardo Santamaria, who took up his post on 28 October 1993, when Havana and Santa Fe de Bogota established formal relations, is the fourth diplomat from President Ernesto Samper's government to resign from his post in the last few hours.

Asked about the matter, Pedro Prada, adviser to Foreign Minister Robaina, told PRENSA LATINA that Santamaria, a former national security adviser in the Cesar Gaviria administration, "contributed to the strengthening of relations between both states."

Cuba Agrees To Reduce Cost of Migration Paperwork

PA2701005496 Havana Radio Havana Cuba in Spanish 0000 GMT 26 Jan 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] The Cuban Foreign Ministry has disclosed that during the recent U.S. Congressional visit to Havana, that the migration issue was discussed to ensure the effective compliance with the migration agreements signed by the U.S. and Cuban Governments in September 1994.

In a news conference, Cuban Foreign Ministry Spokesman Miguel Alfonso indicated that at the request of the U.S. congressmen, Cuba agreed to reduce by 50 percent the costs of processing the paperwork to 1,000 low-income people who wish to travel to the United States.

Alfonso stressed that this attitude is in keeping with Cuba's traditional position to consolidate the positive bilateral relation achieved in matters of legal immigration to the United States.

Bahamas

Bahamian Foreign Minister Decorated by ROC Official

OW2901043896 Taipei CNA in English 0129 GMT 29 Jan 96

[By Edward Chen]

[FBIS Transcribed Text] Nassau, Bahamas, Jan. 27 (CNA) — ROC [Republic of China] Foreign Minister Chien Fu Friday [26 January] night conferred the Order of Brilliant Star With Grand Cordon on Bahamas Foreign Minister Janet Bostwick in recognition of her contributions to promoting friendly relations between the Republic of China and the Bahamas.

More than 50 Bahaman and ROC dignitaries, including the 85-year-old mother of Bostwick and ROC Ambassador to Bahamas Chang Ching-yen, witnessed the ceremony, which was held at the Oceanic Club here.

Later in the day, Chien and his wife hosted a dinner party in honor of the Bahamas Government and civic leaders.

Chien pointed out that both the ROC and the Bahamas share common ideals in pursuing liberty, justice, and dignity. The two countries have established a mutually beneficial relationship which Chien said is expected to continue to blossom.

In return, Bostwick said the common ideals the two countries share has promoted closer relations between the two countries. She also expressed her belief that the ROC will soon be able to participate in the United Nations.

In the morning, Chien called on deputy prime minister and Tourism Minister Frank Watson, and also visited the National Gym. Later, Chien and his wife paid a courtesy call on Gov. Orville Turnquest.

Haiti

Haiti's KSK Asks Senate To Reconsider Celestin Post

PA2701121896 Port-au-Prince Signal FM Radio in Creole 1230 GMT 25 Jan 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Excerpt] Several people's organization members are supporting the interim director of the National Police. The Get Together Committee [Komite Sere Kole — KSK] is asking the Senate of the Republic to reconsider its decision in the case of Fourel Celestin and ratify his appointment as director of the National Police. The KSK leaders are threatening to go down to the streets, if the senators do not do all they can in the next few days to approve President Aristide's choice of Fourel Celestin as director of the National Police. Let us listen to some of them:

[Begin unidentified speaker recording] We say we do not understand when we see people who pretend to be Lavalas partisans make fun of President Jean-Bertrand Aristide. If the president told us, you must trust this dog, then it would be inconceivable that this dog would consider biting the president tomorrow. We do not have a problem with the fact that they are not ratifying Celestin. But, we do have a problem with the fact that they have boycotted the choice of President Aristide, because if he knew that the man was not competent, he would never have chosen him. As far as we are concerned... [pauses] according to what we have learned from President Aristide, we know that he is competent and can do the job that needs to be done. [passage omitted] [end recording]

This was the position of the KSK members who have promised to do everything possible so that the senators will reconsider their decision and accept Fourel Celestin as head of the National Police.

Haitian Senator Accuses Celestin of Assassination Plot

PA2701003496 Port-au-Prince Radio Metropole in French 2000 GMT 24 Jan 96

[FBIS Translated Text] [Announcer Ansy Rose Resignac] Senator Jean-Robert Sabalat has denounced a plot by the Haitian National Police interim director general to assassinate him. According to an independent parliamentarian, a letter received from a government official mentioned that several senators who opposed the confirmation of Mr. Fourel Celestin's nomination to this post should also be assassinated. Jean-Robert Sabalat made these revelations to the Senate of the Republic where an investigation commission was immediately formed to meet with the president of the republic. Let us listen to the report by Edner Jean live from the parliament.

[Jean] Indeed, Resignac, the question is the object of a (?very animated) debate within the Chamber of Deputies ...[pauses] sorry, within the Senate. It should be said that the first emotional reactions following the denunciation made by Senator Sabalat have died down, and the senators are now questioning the facts as they were reported by Sen. Sabalat.

We can point out the statement by Sen. Larosiliere, who said that the Senate should act wisely in this matter and not hasten to take a stand as long as the facts reported by Sen. Sabalat are not confirmed. Meanwhile, Sen. Clark Parent is in full agreement with Sen. Larosiliere. He thinks such a statement should be discussed at an in camera Senate session. The fact remains that most members of the Senate shared in the emotion and immediately condemned this threat against Sen. Sabalat, which was sent by a government official whose name Sen. Sabalat did not reveal. He has, however, announced that in the next few hours, he is going to present this letter to the assembly. Maybe, we will find out the name of this government official so that light can be shed on this matter. What is certain is that Sen. Sabalat stands by his statement. He in particular cited the name of the interim head of the National Police as somebody involved in a plot to assassinate him. This is a matter to follow. Edner Jean on the spot for Metropole.

[Announcer] Thank you, Edner Jean. It should be noted that a people's organization called Get Together has threatened to hold protests if the nomination of Mr. Fourel Celestin to the post of director general of the Haitian National Police is not confirmed by the Senate of the Republic.

Haiti's Prime Minister To Look Into Sabalat Charges

PA2701020896 Port-au-Prince Signal FM Radio in Creole 1230 GMT 26 Jan 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] The prime minister of the Republic has reacted to the Sabalat case. The government of the Republic says it has been surprised by the reports on radio and television about the accusation by Senator Jean-Robert Sabalat against the interim police chief, Dr. Fourel Celestin, who allegedly plans to assassinate him and many other senators.

Prime Minister Mrs. Claudette Werleigh immediately got in touch with Mr. Edgard Leblanc, the president of the Senate, and Sen. Jean-Robert Sabalat, the main concerned person in this matter. After a conversation with the head of government, the question was referred to the justice minister, according to a press release issued by the office of the prime minister, which reported that the prime minister has already taken all measures so light can be shed as soon as possible on this regrettable matter.

Haiti's Demobilized Military React to Sabalat Statement

PA2701022996 Port-au-Prince Signal FM Radio in Creole 1230 GMT 26 Jan 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] The Rally of Military Dismissed Without Reasons [RAMIRESM] took a stand on 25 January against Senator Jean-Robert Sabalat's statement, who revealed that a plot aimed at assassinating him is allegedly being hatched by Mr. Fourel Celestin, the head of the interim Haitian National Police [PNH]. Andre Armand, the president of RAMIRESM, asks the director ... [pauses] asks Mr. Sabalat to provide more details on this matter, that is on the question of the plot.

RAMIRESM asks that the PNH be led by a former officer of the Haitian Armed Forces, which were dissolved. Given the training of RAMIRESM, it considers PNH to be communal police.

[Begin Armand recording] RAMIRESM asks Sen. Sabalat to give his friend's name, as he said that this was revealed to him by a friend, that he received a letter from a friend. RAMIRESM asks Sen. Sabalat to present this letter. The letter is ... [pauses] (?can) be used as an exhibit. It is evidence. If he cannot show it, we ask in the name of ... [pauses] RAMIRESM asks Dr. Fourel Celestin to institute legal proceedings against this senator. He must give evidence and name his friend.

RAMIRESM says it does not understand how former General Wilthan Lherisson and Marie-Michele Rey have managed to issue all the former military checks, whereas newly appointed Finance Minister Jean-Marie Cherestal, who cannot find anything to do in his Ministry, has suspended the checks of all former officers, former recruits, and former civilian employees who were working.

RAMIRESM says it considers that an arbitrary action, because I was a regular Army member for 18 years, beginning with the grade of private. I (?am entitled to) a pension of 400 gourdes per month, which the finance minister has suspended. [end recording]

These were statements by RAMIRESM President Andre Armand, who was speaking on 25 January in a news conference. After these statements, several other members of this organization took a stand against [words indistinct] of the RAMIRESM president and asserted that he is there to defend his own interests. The people present in the conference room showed their discontent with the RAMIRESM president. Let us listen to statements by some of them.

[Begin recording] [Unidentified speaker] The government never pays us. They must pay us the pension checks. [Words indistinct] They must pay us our money. RAMIRESM is doing nothing. [Words indistinct] we, the demobilized military, do not accept Armand [words indistinct]. As far as we are concerned, we have formed our own organization which is called MODED, Organization Movement for the Defense of the Demobilized Recruits [Mouvement d'Organisation pour la Defense des Enroles Demobilises].

[Unidentified journalist] [Words indistinct] that Armand just did. Do you not agree with it or what?

[Unidentified speaker] No, we do not accept.

[Journalist] Why?

[Unidentified speaker] We do not at all agree with Armand, because he does not have the right to speak on behalf of RAMIRESM. [Words indistinct] Besides, we do not recognize Armand as military. We do not recognize him as military.

[Journalist] You say Armand has betrayed you. What does that mean?

[Unidentified speaker] Of course, because Armand is not working to really help the demobilized military. He is taking care of his own business. He is defending his own money. [end recording]

These were explanations from some members of MODED, who say they are going to go into action so as to force the parliamentarians to pay ... [pauses] so the Parliament can ... [pauses] they will mobilize against parliamentarians so they can force the Ministry of Finance to pay them their pension funds.

It should be recalled that MODED sent a letter to the Haitian head of state, an open letter in which they asked him to meet with them as soon as possible and in which a 72-hour ultimatum was given to President Jean-Bertrand Aristide to meet with them.

Haitian Police 'Surprised' by Senator's Statement

PA2701020996 Port-au-Prince Signal FM Radio in Creole 1230 GMT 26 Jan 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] The National Police have reacted to Senator Jean-Robert Sabalat's denunciation. The National Police management say they are surprised by the senator's statement. In a press release issued on 25 January, the National Police announced that they will continue to guarantee the security of each citizen in accordance with their mission. They also announced that they will reinforce security within the Parliament of the Republic.

The departmental director of the National Police has been authorized to take necessary measures to ensure the safety of Sen. Jean-Robert Sabalat, according to what the National Police said in the press release they issued and in which they renewed their commitment to protect and serve the institutions and citizens in Haiti.

Haitian Police Leave Boucan Carre Due to Threats

PA2701024996 Port-au-Prince Signal FM Radio in Creole 1230 GMT 25 Jan 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] The members of the National Police have been compelled to give up their posts in Boucan Carre. The policemen left this town due to the threats against them by many members of the Lavalas party in Boucan Carre. After the departure of these policemen, the city hall and the public prosecutor's department in the Boucan Carre area have closed their doors. Let us listen to details from our correspondent Patrick Pierre-Louis.

[Begin Pierre-Louis recording] The national policemen left the Boucan Carre commune to take refuge in a station located in a small neighborhood called Domond near Peligre. The reason for this situation is that the policemen did not find a house to use as a police station in Boucan Carre.

When the national policemen arrived in Boucan Carre this past November 1995, they found lodgings in the home of a Catholic priest named Oxide Sicot Jean. Many Lavalassians in Boucan Carre, who are not on good terms with Father Sicot and who describe him as a famous tonton macoute, asked the policemen to leave Father Sicot's home.

The population dropped many leaflets in the streets of Boucan Carre on which were written the following: If the policemen do not get out of Father Sicot's home, misfortunes will fall upon them, just as they fall upon Father Sicot.

Following these pressures, the policemen were compelled to leave Boucan Carre, despite themselves, so as to avoid big misfortunes or accidents.

After the departure of the policemen, Boucan Carre was turned upside down, because the Justice Department cannot function without the presence of policemen. The doors of the city hall in Boucan Carre cannot be opened because Mayor [name indistinct] says he will not take the chance of going and sitting in city hall without the presence of policemen.

Almost all activities are blocked in the area because of the absence of the policemen. So, the population calls on concerned authorities to look into this situation quickly, in order to have the policemen return to their posts in the commune of Boucan Carre to ensure security and protect lives and properties. This was Patrick Pierre-Louis for Signal FM from Mirebalais. [end recording]

Former Haitian Military Form Group, Protest Training

PA2701025996 Port-au-Prince Signal FM Radio in Creole 1230 GMT 25 Jan 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Excerpt] The Rally of Military Dismissed Without Reasons will meet with the press today in order to talk about various subjects that are in the news, such as the consequences of the current situation in Cite Soleil, the incompetence of Parliament, the communal police allegedly called national police in Haiti, and the violation of the contract and promises that were made by the Organization for International Migration [OIM].

Thus, the demobilized military have a new movement. It is the Movement for the Defense of Demobilized Recruits [Mouvement pour la Defense des Enrols Demobiliss, MODED] who label the six-month training they are receiving thanks to OIM programs as cramming.

We cannot learn mechanics or computer science in six months. This is a statement by the demobilized military.

The former members of the broken up army demand that the state pay them the rest of the money owed to them and have sent a letter to President Aristide to ask him for a meeting without delay. They have issued a 72-hour ultimatum to the Haitian head of state to answer their invitation. [passage omitted]

Haiti's Prime Minister To Meet With President-Elect

PA2701142896 Port-au-Prince Signal FM Radio in Creole 1230 GMT 23 Jan 96

[From the "0730 Appointment" newscast]

[FBIS Translated Excerpt] Talks or consultations with the new team have been going on for several days in Port-au-Prince. For the time being, the names of several Haitian personalities who can be appointed or designated as members of the forthcoming ministerial cabinet to be formed by President-elect Rene Preval after 7 February are being cited.

As for the rumor circulating in certain sectors of the capital— that is, that Claudette Werleigh might be renewed as prime minister—a reliable source has told Signal FM that talks have begun on the appointment of a new prime minister to head the Haitian Government. For now, Werleigh is compiling records to send to President-elect Rene Preval. We note that Claudette Werleigh, the Haitian prime minister, is due to meet with President-elect Rene Preval this week on the question of the transfer of power.

A meeting between the president-elect and the non-governmental organizations must also be held. Yesterday, the meeting that was supposed to be held between the president-elect and the people's organizations did not take place. This meeting, which was to be held at the Christopher Hotel with the participation of several hundred representatives of people's organizations in the country, has been postponed. Amid disorder, Chavannes Jean-Baptiste, head of the president-elect's transitional office, announced that this meeting had been canceled for security reasons. [passage omitted]

Haiti's Preval Meets With NGO's in Port-au-Prince

PA2701025896 Port-au-Prince Signal FM Radio in French 1130 GMT 25 Jan 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] A meeting took place on 24 January at the Holiday Inn Hotel between President-elect Rene Garcia Preval and representatives of Non-governmental Organizations [NGO's] at the initiative of HAVA, the Haitian Association of Benevolent Agencies.

Preval conversed with more than 60 representatives of NGO's working in the country. While addressing his interlocutors, he emphasized the increase in agricultural production and decentralization, the keystone of the next government, he said. Preval guaranteed that the NGO's of the country will work quite indeph4 Cht?? Assistance — the opportunity to work with many of the NGO's represented here, I must confess that I do not know this sector very well. So, I have asked my friend Fred Joseph to accompany me in order to enrich the debates a little bit. Fred is not here as planning minister. So, neither will his statements bind the current government nor — all the more so — the next one, which does not foresee his future as minister. [burst of laughter from the audience]

I have repeated it on several occasions, the main line of these five years will be production. We will also focus on decentralization. I know that many of your organizations operate in the province. In short, this dialogue will be for me one more opportunity to grow richer. [end recording]

This was Rene Preval, the Haitian president-elect yesterday at the Holiday Inn where he was meeting with NGO's.

Haiti's Aristide Meets Youths From Cite Soleil 24 Jan

PA2701034996 Port-au-Prince Signal FM Radio in Creole 1230 GMT 25 Jun 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] Another point in the news is that the Haitian head of state continued talks with several youths from Cite Soleil. These talks took place on 24 January at the National Palace, where Haitian President Aristide received several youths. Journalists were not invited to cover the meeting.

The Haitian head of state met at the palace with a group of young people who came from Cite Soleil with the purpose of gathering information on the incident in this area this past 16 January. This incident — we remember — matched a group of people in Cite Soleil against the police. A young girl died and several other people were injured. The person who died in this big incident this past 16 January was Martha Jean-Charles.

The press does not yet know what was discussed during the meeting Jean-Bertrand had yesterday with the Cite Soleil youths at the National Palace.

Haiti's CNVJ To Publish Report on Rights Violations

PA2701183796 Port-au-Prince Signal FM Radio in Creole 1230 GMT 23 Jan 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] The National Commission for Truth and Justice [CNVJ] is ready to publish the final report on the investigations it has carried out on human rights violations committed between the 1991 coup d'etat to the return of President Jean-Bertrand Aristide in 1994. They are finalizing the report, which will be published at the end of this month, according to statements by sociologist Francoise Boucard, CNVJ president. Boucard says, however, they had many difficulties in collecting testimonies from victims, because those victims were reluctant to testify out of fear that their statements would be documented and filed afterward.

The final text of the investigations will allow authorities to establish proper mechanisms that will allow them to punish the authors of criminal actions and crimes that were committed in Haiti, according to Francois Boucard:

[Begin Boucard recording] There is a concern about giving the best report possible, based on what information was collected, on what happened during the three years. This report will allow us to take stock of this whirlwind of repression [words indistinct] of the actions that were committed, of the people who have committed these actions, and of the mechanism that allowed such actions to be committed. [end recording]

Mexico To Make Debt Payments to U.S., Canada

PA2801014696 Mexico City NOTIMEX in Spanish 0005 GMT 27 Jan 96

[FBIS Translated Text] Mexico City, 26 Jan (NOTIMEX) — The Finance Secretariat announced in a communique today that Mexico will pay off $1.458 billion of its debt with the United States and Canada in short-term swaps on 29 January. The secretariat indicated that $1.3 billion will be paid to the U.S. Treasury and the remaining $158 million (equivalent to 217 million Canadian dollars) to Canada's monetary authorities. The amortized resources entered Mexico as short-term foreign currency exchange contracts (swaps) renewable in three months, under the terms of the 26 April 1994 North American Framework Agreement between Mexico, the United States, and Canada, it added. Furthermore, the secretariat explained the resources were used through the Financial Support Package Accords signed on 21 February 1995 between the Mexican and U.S. Governments. The secretariat stated that the renewal of these amounts has been requested and obtained on three occasions. The Mexican payment will be carried out with resources from the market, particularly those resulting from the successful issuance of 1.5 billion German marks (equivalent to $1.4 billion) in bonds with a seven-year term. The Finance Secretariat said the foreign debt's profile is thus improved, replacing a long-term debt with a short-term debt. It said the measure falls within the Mexican authorities' plan to improve the foreign debt's terms, extend its amortization deadlines, and make it easier to handle. This helps reassert investors' confidence in Mexico's economic program, it concluded.

Mexican Officials Protest U.S. Senate Produce Initiative

PA2801001996 Mexico City NOTIMEX in Spanish 2231 GMT 27 Jan 96

[FBIS Translated Text] Mexico City, 27 Jan (NOTIMEX) — The Mexican Government has described an initiative that the U.S. Senate approved on 26 January as a violation of NAFTA, as it threatens to complicate the entry of Mexican farm products into the United States.

The Commerce and Agriculture Secretariats stated in a communique on 26 January that the U.S. Senate's initiative will be used to justify restrictions on Mexican farm exports. "The U.S. Senate approved a bill on 26 January that modifies the definition of national industry as a protective measure, which could adversely affect the access of farm products from Mexico and other countries to the U.S. market," the secretariats stated.

The White House trade representative has neither confirmed nor denied that U.S. congressmen are exploring possible antidumping measures against Mexican fresh red tomatoes. "All we will say...is that (trade representative Michael) Kantor offered to speak with (Mexican Commerce Secretary Herminio) Blanco (over Mexican red tomatoes)," Dianne Wildman, the U.S. official's spokeswoman, said on 26 January.

Mexican authorities last week rejected Kantor's intentions to modify the tariff quota applicable on the Mexican vegetable, which was agreed upon with Mexico in NAFTA and which is rejected by Florida tomato growers. The NAFTA agreement states that the tomato's tariff quota is of a seasonal nature. Washington, pressured by Florida tomato growers, seeks to turn it into a weekly affair, which experts believe would push the vegetable's price up and reduce its competitiveness.

The communique issued by the two Mexican secretariats said that the initiative approved by the U.S. Senate on 26 January will be reviewed by the U.S. House of Representatives next week. U.S. law now defines as national industry any group of producers of a similar good or producers with an aggregate production representing an important proportion of the total output of a certain good or article.

The communique states that the new bill would allow authorities to consider the production of Florida tomatoes and other vegetables as a different industry from the rest of the national production and would magnify the impact Mexican exports would have over that redefined industry. If enacted, the initiative would allow the U.S. office in charge of determining the possible adoption of protective measures — the International Trade Commission — to impose the restrictions on the Mexican exports, the communique stated. "These measures are contrary to the spirit of NAFTA," the two secretariats stated.

They announced that they will continue to closely monitor the new initiative's progress. The two secretariats are reviewing pertinent measures in defense of the interests of Mexican exporters, who are participating in the market of perishable products in the United States and who have "legally achieved a high international competitiveness," they indicated.

Mexican President's European Visit To Promote Free Trade

PA2601140496 Mexico City NOTIMEX in Spanish 2045 GMT 23 Jan 96

[FBIS Translated Text] Mexico City, 23 Jan (NOTIMEX) — Commerce and Industrial Development

Secretary Herminio Blanco today reported that a free trade agreement will be sought with the EU and foreign investment in Mexico will be promoted during President Ernesto Zedillo's European visit.

Blanco stated that Zedillo, on his first visit to Europe, will hold at least 10 meetings with businessmen, in which he will promote a possible free trade agreement with the EU and Mexico as attractive to foreign investment.

The secretary said Mexico's economic growth outlook is strong, so they will seek to attract a larger number of European investors during Zedillo's visit to Spain, Britain, Italy, and Switzerland.

Blanco explained that, even though no decision has been made on reaching a free trade agreement with the EU, the two sides have held talks, which will continue in the months ahead.

On Mexico's growth prospects, Blanco noted that 460 maquiladoras [assembly plants], which will generate close to 150,000 jobs, will be established this year, "giving an idea of this year's recovery outlook," Blanco added.

Mexican, Spanish Presidents Meet Press on Accords

PA2801040296 Mexico City NOTIMEX in Spanish 1727 GMT 26 Jan 96

[FBIS Translated Text] Madrid, 26 Jan (NOTIMEX) — Mexican President Ernesto Zedillo today highlighted the agreement that NOTIMEX and EFE have signed within the framework of agreements that will strengthen relations and exchanges between Mexico and Spain.

Zedillo stressed at a joint news conference with Spanish President Felipe Gonzalez that the agreements signed on 25 January will allow the two countries to start tangible projects that will broaden Mexico's ties with Spain and, in the end, with Europe.

Zedillo referred to the "agreement between NOTIMEX and EFE," which will allow the exchange of their domestic news services within the context of the "very significant tangible cases" of cooperation and coordination regarding relations between Mexico and Spain.

The Zedillo-Gonzalez news conference was held at the end of a working meeting on the second day of the Mexican president's state visit to Spain.

Zedillo underscored that these agreements "reinforce our diplomatic and economic relations" and that "we have endorsed the political commitment to continue to work to make these relations closer and broader."

The foreign ministers of the two countries — Mexico's Jose Angel Gurria and Spain's Carlos Westendorp — on 25 January presided over the signing of seven agreements that encompass several main issues concerning bilateral relations.

NOTIMEX General Manager Jorge Medina Viedas and EFE News Director Carlos Gonzalez Reigoza signed the first such agreement. The document, which includes 10 clauses for general conditions, states that NOTIMEX will provide its domestic information services to EFE in Mexico and that EFE will provide its domestic information services to the NOTIMEX office in Madrid.

The fifth clause of the agreement states that the services the two agencies will provide to one another will be used by NOTIMEX and EFE only and under no circumstances whatsoever will they be able to cede the rights that protect this agreement to third parties.

NOTIMEX is a company mostly owned by the state and was publicly incorporated on 20 August 1968. Its headquarters is in Mexico City.

Zedillo recalled that Mexico and Spain also signed a complementary scientific-technical agreement based on an allocation of financial resources that will allow them "to start a number of tangible projects."

The Mexican president pointed out that "we have signed two accords with the National Foreign Trade Bank of Mexico and two Spanish agencies dealing with trade promotion issues. Mexico's National Cultural Council and the Spanish Government have also signed a very tangible agreement, for something that is very important for us: The works of great Spanish filmmaker Luis Bunuel, whom we Mexicans called our own."

He added: "We have also signed a tourist cooperation agreement, a cooperation agreement between NOTIMEX and EFE, and a collaboration agreement on penitentiary matters."

European Leaders: NAFTA To Make Mexico Competitive

PA2801184096 Mexico City NOTIMEX in Spanish 0053 GMT 27 Jan 96

[FBIS Translated Text] Mexico City, 26 Jan (NOTIMEX) — The North American Free Trade Agreement (NAFTA) is positive, because it guarantees its members' financial support to the Mexican economy and opens exports to the United States and Canada, stated leaders of European companies today.

According to an analysis by the Mexican Commerce Secretariat and the European Union on the participation of European corporations in Mexico, businessmen from that region believe NAFTA will turn Mexico into a much more competitive country in the long term.

The investigation has focused on the telecommunications, chemical and pharmaceutical products, textile and leather industry, and auto parts industries.

The main topics of the investigation were the impact of NAFTA, signed by Mexico, the United States, and Canada, on businesses as well as the development of the Mexican market and the opinion of a possible new agreement between that nation and the European Union.

Regarding the telecommunications industry, the study stated that European products imported in Mexico face the risk of being displaced by products from the United States and Canada. The document has stated that this is due, most of all, to the fact that a high percentage of European sales to Mexico are imports and taxes for NAFTA partners are being quickly reduced.

Moreover, the study and polls applied to European enterprises have indicated that NAFTA's impact will be felt in the chemical industry much earlier than in the pharmaceutical industry, because the latter is more protected.

The analysis added: The pharmaceutical industry in Mexico has a higher degree of development, but the chemical sector will probably tend to assemble less sophisticated products.

Referring to textiles and shows, European manufacturers feel that the sector's future in Mexico will be in the assembly industry, to supply the U.S. market. Access to this market is not easy, given the competition with low priced products from Asia.

For most of the European auto part industries, NAFTA has implied changes, prompt action, or a stronger competition that is now clearly perceived.

The document has stated that Mexico's favorable location between North and South America is important for enterprises which are interested in joining the Latin American market and which have a strategy of generating contacts in the region without expecting an integration similar to that of NAFTA.

Mexican President Meets UK Officials on Economic Issues

PA2901023796 Mexico City NOTIMEX in Spanish 2216 GMT 28 Jan 96

[By Eduardo Porter]

[FBIS Translated Text] London, 28 Jan (NOTIMEX) — Mexican President Ernesto Zedillo ended the first day of his official working visit to the UK today with a private dinner with British businessmen.

After visiting the Mexican Hall of the British Museum and attending a reception for the Mexican community living in the UK, Zedillo attended a dinner organized by British Invisibles, an organization that groups exporters of services. Prior to the dinner, whose host was Barclays Bank Council President Andrew Buxton, the bankers had expressed interest in hearing Zedillo's opinion on Mexico's political changes and economic outlook.

Beginning his visit to the UK — the second leg of a European tour that includes Spain; Italy; and a speech to the World Economic Forum in Davos, Switzerland — the Mexican president expressed confidence in the country's economic recovery. Zedillo told the Mexican community gathered at the British Museum that he is confident in the country's recovery and proud of the Mexicans' efforts to overcome the difficulties. "I am proud of our nationality, proud of our country, proud of the deep roots that uphold us, and proud of what the Mexicans are doing once again to face a very difficult situation," Zedillo said. He said that he is confident that "we will overcome the difficult situation that arose at the beginning of 1995; I am confident in the effort the Mexicans have made and will continue to make to once again overcome adversity," the president said.

According to his official agenda, Zedillo traveled to London accompanied by his wife, Nilda Patricia Velasco; Finance Secretary Guillermo Ortiz; Foreign Secretary Jose Angel Gurria; and Commerce Secretary Herminio Blanco. He is also accompanied by Senators Fernando Ortiz Arana, Gabriel Jimenez Remus, and Hector Sanchez, as well as several presidents of the country's main business groups.

Underscoring the importance of the British financial community, the Mexican president began his activities in the UK with an interview to the financial service of the British REUTERS agency.

Before arriving in London, President Zedillo ended his four-day visit to Spain with a visit to the Catalonian Art Museum in Barcelona and then toured sites such as the Gate of Peace and the Olympic Village which housed the 1992 Olympic athletes. The president ended his 23-hour stay in the Catalonian capital with a tour of the Barceloneta Vieja port, which was completely renovated a short while ago. Zedillo was seen off at Barcelona's El Prat airport by Mexican and Spanish officials. The plane carrying the president and his party to London landed at Heathrow International Airport at 1335.

Mexican President Determined To Reactivate Economy

PA2701212996 Mexico City NOTIMEX in Spanish 2052 GMT 23 Jan 96

[FBIS Translated Text] Mexico City, 23 Jan (NOTIMEX) — President Ernesto Zedillo today stipulated that in no way will there be any turnabout in the firm determination to establish the solid foundations that will consolidate the country's economic reactivation.

"We will not turn back in our firm resolution to guarantee the foundations that will provide solidity to the growth that is on the way," Zedillo pointed out during the swearing-in ceremony of the new board of directors of the National Council of the Assembly Plant Export Industry.

After urging the assembly plant industry to encourage confidence in the structural strength of the Mexican economy, Zedillo reiterated his commitment to work without rest to stamp that trust in the predominance of the law, in the struggle against corruption, and in the strengthening of democracy.

During the swearing-in ceremony that took place at the Los Pinos Presidential Palace, the Mexican president remarked that "the government of the republic will continue with the structural reforms it has embarked on to encourage investments and savings."

"We intend to intensify coordination between the three state branches, and harmonize more with the business sectors to ensure a more effective performance of the policies aimed at encouraging investments," Zedillo stipulated.

He stated that the performance of the export sector, the strengthening of the financial sector, and the gradual increase in consumption capacity as well as in private and public investment will be the pillars that will provide support to the country's economic reactivation.

Zedillo guaranteed that Mexico will advance in the consolidation of a framework of clear, simple, just, and efficient guidelines to encourage the productivity and competitiveness of the Mexican economy.

"In order to firmly advance in the recovery, we intend to maintain an agreement with respect to the path and the decisions to be adopted," the Mexican president stated.

He added that through dialogue and agreement, in addition to harmonious and responsible coexistence, it will be possible to provide strength and permanence to the structural changes.

Zedillo also stressed that "one more time, we Mexicans are showing that we know how and can overcome all adversities. We are also showing that we can provide continuity to the economic recovery as well as distribute its benefits in a just manner."

Raul Avila Baez, president of the National Council of the Assembly Plant Export Industry, highlighted the sector's support for President Zedillo's efforts to develop Mexico.

Likewise, Avila Baez expressed the assembly plant export sector's continued commitment to encourage more investments and more revenues.

He announced that with the industry about to celebrate its 30th anniversary, it currently lists 2,939 assembly plants and a labor force of 751,582 employees who help to generate revenues of nearly $3.870 billion per year.

The assembly plant industry representative announced that the forecast for this year is auspicious since exports currently amount to $37 million, with which this sector is on its way to become a key element for the Mexican economy.

Mexico To Strengthen Audits To Fight Money Laundering

PA2601140196 Mexico City LA JORNADA in Spanish 23 Jan 96 p 47

[Report by journalist Armando Torres]

[FBIS Translated Text] Monterrey, Nuevo Leon, 22 Jan — Tomas Ruiz Gonzalez, revenues under secretary at the Secretariat of Finance and Public Credit (SHCP), has affirmed that the SHCP will strengthen its audits in order to fight tax evasion and money laundering in Mexico.

Ruiz stated that they will continue to "track" people suspected of involvement in money laundering activities with investigations of their taxes and bank accounts.

The official added that an agreement on cooperation exists with foreign officials to swap information on financial transactions and bank accounts belonging to people suspected of being involved in the criminal activity and added that it is a difficult task that requires a spirit of cooperation between different authorities and organizations.

Ruiz stated that the SHCP has the necessary tools to detect people who commit crimes such as the money laundering of Mexicans in Mexico or abroad.

Ruiz said tax evasion continues to be a serious problem, which will be countered by audits and strict oversight by finance officials.

For example, Ruiz mentioned that in the case of the VAT [value-added tax], tax evasion currently reaches

30 percent of total tax collection. "We collect approximately 75 billion pesos from the VAT, when we should be collecting 110 billion and 120 billion pesos," he said.

The under secretary assured that the policy to counter tax evasion has not changed. "We have no intention of applying the law in an arbitrary manner; what we seek is simply to enforce it, and in that respect, we have been, and will be, very strict."

Ruiz reasserted that the federal government has no plans to raise the general VAT rate beyond 15 percent.

On the decentralization process, the official indicated that progress will be made in 1996 on that aspect, mainly in areas such as health, agriculture, education, and social development.

Ruiz stated that the basic challenge in 1996 is to achieve economic reactivation within a context of stable financial markets and prices.

Mexican Official: 'Difficult' Road To Improvement

PA2701204296 Mexico City EL FINANCIERO in Spanish 23 Jan 96 p 28

[Report by Isabel Becerril]

[FBIS Translated Text] Victor Manuel Diaz Romero, president of the Confederation of Industrial Associations (Concamin), has said that even though some improvement has been detected and conditions to lead the country out of the crisis in which finds itself have improved, "the road is still quite difficult; thus, 1996 will not be a year of milk and honey."

He has said Mexico is barely establishing the "foundations" to announce an economic model that is well defined and eliminating the shortcomings, which are still too many, we have as a country.

The Concamin president also has said the business sector is extremely "impaired" at this time due to the lack of economic reactivation, the high cost of funds, and the decline in the purchasing power of the working class.

As for the production plant category, he has mentioned as cause for "concern" certain sectors such as the construction industry, which has been unable to come out of the slump in which it is, and its situation is still a disaster.

Interviewed by this newspaper at his office, the Concamin president has said the truth is that the industrial sector is a market characterized by a high degree of difficulties and that all the country's economic players should understand this point.

Although the situation through which the working class is going is very difficult, Diaz Romero has said, it should not be forgotten that the entire country, not just one segment of society, is experiencing the same reality.

The industrial sector, he added, is aware of the fact that there has been a weakening in the people's purchasing power but that it has also occurred to the industrial sector as well as to the economy in general.

It is easy to call for wages to be doubled, but who will pay for this doubling, especially if the production plant sector is depressed and does not even have sufficient resources to meet its main needs, he added.

"It should be understood that as part of the crisis the country is undergoing, everyone has been forced to do one's bit, and we have to wait until the economy reactivates in order to rise from the slump," the Concamin president has said.

In this regard, the industrial sector representative has said the economic recovery of all the country's productive sectors will materialize, but based on productivity.

Asked about why there is no instrument yet to measure whether there had been talk for past several years about an improvement based on productivity, Diaz Romero has said the industrial sector has been undergoing that same problem for the past six years.

He has specified that there was no mechanism to measure productivity in the past "but that Concamin now was working closely with the Business Coordinating Council (CCE) on a plan that will be announced shortly."

As for the bankruptcies that had been taking place, the Concamin representative has said the trend had already been diminished, given that certain industrial sectors had begun to record improvements and that other productive sectors are holding up until they can find their true market niche.

In addition, he has stipulated that several businessmen are regaining the confidence they had lost in the country on account of their now having a clear indication of the path to be taken in order to overcome the situation.

"We have already established the foundations, and we are working on the structure of an economic policy that will allow us to hurdle the crisis."

He has even ventured to say that a slight improvement in the economy had already been observed since the end of 1995 and that with all the measures that had been adopted it is anticipated that the recovery already observed by the first quarter of this year will begin to be experienced by the majority of the country's productive sectors.

The Concamin president has said the country's political problems are no longer undermining the economic issue as much, given that we are more resistant at this time.

Society as a whole, he added, has finally understood that criminal problems and political interests are one thing and another is the manner in which the economy is handled.

Mexican Privatization Divides Manufacturing Leaders

PA2701221396 Mexico City EL FINANCIERO in Spanish 24 Jan 96 p 10

[By Georgina Tristan]

[FBIS Translated Text] Cesar Conde Mata, new president of Canacintra's [National Association of Manufacturers] Petrochemical Section, totally disagrees with the position taken by Canacintra President Victor Manuel Terrones Lopez to support the privatization of the petrochemical sector.

"This section's position is against the sale of the petrochemical refineries" because the proposed privatization is unconstitutional and can lead to more unemployment and poverty.

Three days ago, in a newspaper advertisement, Terrones Lopez announced that "Canacintra supported the privatization process" and that the board of directors of the petrochemical section and the national council of directors reiterated their agreement on this issue to the community.

"We do not agree with privatization," Conde Mata said. He proposed that privatization be postponed until a number of issues were studied, such as the reclassification of basic oil products as by-products.

Conde Matas' legal reasons for opposing the sale of that industry to private companies are as follows:

Article 27, Paragraphs 4 and 6 of the Constitution say that the state has power over the natural resources found on the continental shelf and underwater island reefs, including mineral or organic material deposits that could be used as fertilizers, combustible solid minerals, oil, and other solid, liquid, or gas hydrocarbons.

The nation's dominion is inalienable and essential, and exploitation, use, and profit from these resources by individuals or companies established according to the laws of Mexico may not be performed by them expect by concession given them by the Executive Branch according to the laws and regulations established by the law.

Neither concessions nor contracts will be awarded for oil, solid, liquid, or gas hydrocarbons or radioactive minerals. Concessions that have been granted will not prevail, and the state will carry out the exploitation of these products.

Conde Mata explained that hydrocarbon products obtained in the refining process are included in Article 27; therefore, the reclassification of petrochemical products should be revised to determine which are hydrocarbon products.

Mexican Parties Agree To Investigate Commodities Company

PA2701221696 Mexico City XEW Television Network in Spanish 0400 GMT 24 Jan 96

[From the "24 Hours" newscast]

[FBIS Translated Text] Deputies from four political parties are seeking efficient ways to detect irregularities in Conasupo [National Company for Basic Commodities].

In a private meeting on 23 January, deputies of the Conasupo Investigative Committee proposed eight specific directions in which to conduct the investigations which would prevent the committee from looking for facts regarding the alleged illegal enrichment of Raul Salinas de Gortari as if looking for a needle in a haystack.

On the contrary, they would have to examine millions of documents. From the Comptroller's Office alone they received a list of more than 1,200 documents of investigation conducted on Conasupo affiliates and officials. PRD [Party of the Democratic Revolution] Deputy Victor Manuel Quintana said in a news conference:

[Begin Quintana recording] The damage to our patrimony, if proven, would reach more than 1 billion pesos. [end recording]

Manuel Gonzalez Hinojosa, PRI [Institutional Revolutionary Party] deputy and president of the Conasupo Investigating Committee, said that they agreed with the PAN [National Action Party], PRD, PT [Labor Party], and independent deputies that the following areas should be investigated:

1. The importation from China of beans not fit for human consumption.

2. Nine thousand tons of powdered milk which are missing.

3. Irregularities in the sale of the (Micomsa) plant in Atlacomulco.

4. Importation of carcinogenic maize.

5. Irregularities in the importation of grain from the United States.

6. Protecting the Maseca Group companies.

7. Possible fraud in the construction of the (Miconsa) maize plant in Guerrero State.

8. A $60 million fraud in the commercialization of corn flower.

PAN member Javier Gutierrez Vidal commented on the list of former Conasupo officials turned over by the Comptroller's Office:

[Begin Gutierrez recording] This commission cannot be content with having a handful of small fry [charales]. The citizens want the big cats. What we turn over to Codam [expansion unknown] is workers who committed administrative faults or errors and who were sanctioned for these reasons. The citizens are not interested in that. [end recording]

Independent Deputy Adolfo Aguilar Zinser revealed that the committee agreed to ask the Chamber of Deputies to grant immunity to witnesses. In addition, they will ask the Comptroller's Office for more confidential information than has been given:

[Begin Aguilar recording] We want internal Comptroller's Office documents or agreements between the secretaries which may contain information which the Chamber of Deputies may consider essential. [end recording]

The deputies referred to the notes kept by former Comptroller General Marielena Elena Vasquez Navas, in which she asked former President Salinas to remove his brother from Conasupo.

PRD deputies gave the media a 24-page document in which they detail the direction which they propose to investigate and in which they reveal the names of witnesses who must be subpoenaed to testify.

The list includes, among others: former President Carlos Salinas de Gortari; Jorge de la Vega Dominguez; Javier Bonilla; Deputy Ignacio Valles Hernandez; Julio Cesar Luis Ferro, former Conasupo finance director and the current governor of the State of Chiapas; Juan Manuel Pasalagua Branch, former Conasupo commercial director; and Agustin Vargas Duran, operations director.

Mexican Official: Economy in 'Permanent Recovery' Stage

PA2801002296 Mexico City EL FINANCIERO in Spanish 25 Jan 96 p 5

[By Maria de J. Osterroth and Gerardo Flores]

[FBIS Translated Text] The Finance and Public Credit Secretariat [SHCP] not only has denied that the banking system is vulnerable but also has said that the system is in an even better position to provide fresh credit for the economy. The SHCP said that foreign capital has entered the country since early 1996, capital which reduces the risk-country rate, and denied that the financial cost of helping debtors restructure their loans doubled in the last quarter of 1995.

SHCP Planning Director Manuel Ramos Francia said Mexico has entered a permanent recovery stage and that credit for enterprises and family consumption is gradually recovering. He ruled out a general solution of the consumers' debt problem because "doing so would entail an unacceptable moral risk due to the economic program."

Nevertheless, Ignacio Trigueros, director of ITAM's [Autonomous Technological Institute of Mexico] Economic Analysis and Research Center [CAIE], rejected the official position, saying banks will become very vulnerable and the country will not receive any significant capital inflow in 1996.

Juan S. Millan, education and social communications secretary of the Confederation of Mexican Workers [CTM], writing for the weekly ECONOMIC OUTLOOK FOR 1996, said the labor sector will not tolerate yet another year of sacrifice for the banks' benefit. Millan admitted, however, that it was necessary to inject approximately 84 billion pesos into the banking system in 1995 to prevent their going bankrupt. He added that special care will be taken to make banks efficient and to keep the system from approving loans for groundless projects, as happened in the past.

During a workshop organized by former ITAM alumni, Ramos said Mexico has entered into a permanent recovery stage with increasing long-term savings, a difficult to apply but "consistent strategy, one particularly without financial solvency problems." Ramos said that foreign capital in significant amounts has entered the country so far this year. He warned, however, that authorities should not boast of this arrival of resources because the situation could be reversed.

Ramos denied that the financial cost of helping debtors and restructuring the entire banking system doubled in the last quarter of last year. He admitted that the exchange type and rates increased but added that the figures increased in September because the cost of the so-called highway bonds had not been reckoned with. During an interview, Ramos pointed out that the banking system's capitalization strongly influenced the resources injected into the system as part of the reorganization policy.

The freshly injected capital was very little in comparison with the capitalization levels. In addition, bank reserves increased. Consequently, it can be said the banks' positions are more sound and free from financial ups and downs. He explained that if the banks' situation regarding the strength of their portfolios and the government's support is observed closely, the banks will be found to be in a better position to provide fresh credit to the economy.

During the debate, CAIE Director Trigueros rejected the government's position saying the banking system's situation can be summed up like this: The load of its principal and interest increased by 200 percent from June to December. As a result, the overdue loan portfolio increased by 7 billion pesos from June to September. Trigueros said the banking system's monthly capital inflow in 1995 remained nearly equal to that in 1994, with the difference that the system's problems increased due to the overdue loan portfolio.

He continued to say that if there is no credit offer, it is very difficult to have economic reactivation, stimulate local saving, and fiscal stimuli will not work. Trigueros said the banks pose a problem for public finances. It will be necessary to inject fresh money into them, money that can only come from higher taxes or from warming up the economy (by the Bank of Mexico issuing currency). He pointed out: "As long as our currency remains weak, Mexico will remain removed from capital flow, be uncertain as to its basic variables, and will never be a good prospect for foreign investors."

Everardo Elizondo, director of Bancomer's economic research department, said that despite the "noise" that the U.S. electoral process will make in the Mexican financial system, the country will attain favorable results and will have no trouble amortizing its foreign debt. After praising this year's economic program, Elizondo admitted that one of the most serious problems to be dealt with is the internal debt increase, which the country had never before experienced and which is due to the increase in loans to the business sector in the past five years. Finally, he said that the overdue loan portfolio represents 18 percent of the banks' total portfolio and that, if intervened banks are excluded, this figure would be lowered to 13 percent.

Guatemala

Guatemalan Officials Discuss Commercial Ties With Cuba

PA2601162496 Guatemala City PRENSA LIBRE in Spanish 20 Jan 96 p 3

[FBIS Translated Text] The market opening with Cuba is a threat and a challenge to the Guatemalan economy, because Cuba has better skilled workers. With investments, Cubans could produce and take markets away from Guatemala, whose professionals have done nothing to improve the skills of the country's labor force.

The preceding comment was made by Central American Parliament (Parlacen) Vice President Rodolfo Dougherty, who pointed out that Guatemalan professionals in charge of production have not bothered to teach skills to agricultural workers, which makes the national market frail.

Dougherty pointed to previous examples of this situation, when Colombia and Costa Rica took Guatemala out of the flower market because of the improved technology they applied, which surpassed that of Guatemalan products.

Dougherty added that as long as Guatemala and Central America do not implement programs to help improve the skills of university graduates and agricultural workers, one cannot speak of a successful venture into the world market.

Dougherty said there is a positive side to relations with Cuba, and that is that it is a virgin market in which one must compete with quality products and good prices.

Maritime Bridge

Guatemala and the rest of the Central American countries can use their trade relations with Cuba to create a maritime bridge to help move products from the region to the European market and the eastern United States, Dougherty said.

Dougherty said that Central America has a great opportunity, because of its influence in the Caribbean, to develop a merchant marine fleet to increase its exports.

Dougherty added that the region will also have to invest to improve its shipping and port facilities for ships to enter and depart.

Antecedents

Relations between Cuba and Guatemala were suspended in 1953 [date as published] when Carlos Castillo Armas, who labeled himself an anti-communist, became president, Parlacen Deputy Eduardo Meyer Maldonado said yesterday.

Moreover, Dougherty pointed out that the trade blockade against Cuba was hardened in 1968 following an Organization of American States (OAS) resolution which accused the Cuban Government of exporting revolution to the countries on the American continent and other parts of the world.

The blockade, which continues to this date, was implemented to exert pressure on the Cuban Government to change its policy. The two Parlacen deputies agree that the problem with the blockade is that it affects the people, not the government.

Guatemala Has No Political Interest in Renewing Relations With Cuba

Regarding the likelihood that Guatemala and Cuba could shortly renew cooperation, Foreign Relations Minister Dr. Eduardo Stein said yesterday that Guatemala has no political interest in renewing diplomatic relations with Cuba.

During his stay in Guatemala to attend the inauguration of President Alvaro Arzu Irigoyen, Cuban Foreign Relations Minister Roberto Robaina expressed the Cuban Government's interest in renewing diplomatic and trade relations, although he knows that Cuba must wait for the proper existing conditions.

Interviewed at 1100 hours in his office at the National Palace, Stein, nevertheless, admitted that trade relations between Guatemala and Cuba have intensified in the last few months.

Stein said that the renewal of cooperation between the two countries will not be altogether possible until the armed conflict in Guatemala ends.

Stein recalled that, with the exception of El Salvador and Guatemala, the rest of the Latin American nations have some degree of formal relations with Cuba through trade offices, and that a number of Guatemalan businessmen are exerting pressure on the government to make trade with Cuba official.

However, we do not believe there is any need, or urgency, to formalize these relations by opening a trade office. What I can say is that, in political terms, the renewal of full diplomatic relations before the end of the armed conflict is not an immediate government priority, Stein affirmed.

Personnel Changes Made in Guatemalan Army Organization

PA2601192196 Guatemala City SIGLO VEINTIUNO in Spanish 20 Jan 96 p 3

[Report by Carlos Canteo]

[FBIS Translated Text] As announced yesterday, changes were made today in the organization of the Army that include the replacement of Deputy National Defense Minister Julio Fidencio Otzoy Colaj by General Cesar Augusto Garcia Gonzalez, former commander of the Army Corps of Engineers.

The retirement of General Jose Horacio Soto Sala, commander of the Mariscal Zavala Brigade, was also confirmed. General Hector Mario Barrios Celada replaced him.

Florencio Castellano Reyes, commander of the Honor Guard Brigade, was also retired. Colonel Hugo Leonel Aguilar will fill his vacancy.

General Ricardo Miranda Tejo, commander of the Justino Rufino Barrios General Headquarters, who returns to the Army's rank and file, was replaced by General Angel Calderon.

In addition, Generals Mario Rene Enriquez Morales, Carlos Enrique Pineda Carranza, and Marco Antonio Gonzalez Taracena were retired after being removed from their post in the last months of the Ramiro De Leon Carpio administration and following the inauguration of Alvaro Arzu.

According to Colonel Guillermo Caal Davila, chief of the Information and Press Department of the Army (DIDE), the announced changes of the removal of generals, lieutenant colonels, and majors are routine changes within the institution.

"There were changes in first, second, and third commanders in various military zones, bases, and brigades throughout the country. These changes are of vital importance to the duties the Constitution assigns the Army," Caal Davila said.

Caal added: *"We deeply appreciate the knowledge all the retiring officers have shared with their subordinates, and we know the Army would not have been successful without their participation."*

Caal added that they would soon find themselves retired officers, because it is a step all officers must take; therefore, he wished them all luck and asked that God be with them in their new status.

This is how the Army high command and its principal command is now structured:

Commander in Chief — Alvaro Enrique Arzu Irigoyen
Defense Minister — General Julio Balconi Turcios
Deputy Defense Minister — General Cesar Augusto Garcia
Chief of Staff of the Defense Ministry — General Hector Canargo Muralles
Army Inspector General — General Otto Perez Molina
Head of the Presidential Chief of Staff — General Marco Tulio Espinoza
Commander of Mariscal Zavala — General Hector Mario Barrios Celada
Commander of the Honor Guard — Colonel Hugo Leonel Aguilar
Commander of Justo Rufino Barrios — General Angel Calderon

Nicaragua

Nicaraguan Police Head on Security During Papal Visit

PA2801001496 Managua Canal Dos Television in Spanish 0030 GMT 25 Jan 96

[From the "TV News" newscast]

[FBIS Translated Excerpt] This morning's meeting between leading police, Army, and firefighting officials on protection for His Holiness Pope John Paul II proved somewhat tense:

[Begin National Police Chief Fernando Caldera recording] All those involved are here to fine-tune the security system set up to to protect His Holiness. [end recording]

Caldera assured that the pope's visit is currently in no real danger and warned that no protesters will be allowed to break through papal security. This was in reference to any planned protests over the six-percent government university subsidy increase. The police chief said that the police had not authorized the women's march to President Chamorro's private residence on 23 January:

[Begin recording] [Correspondent] What will the police do if students decide to hand him a letter or...

[Caldera, interrupting] If they try to do this using some method that violates the established security system, we are not going to allow it. [end recording] [passage omitted]

Nicaraguan President Issues Statement on Aleman Attack

PA2801033896 Managua Sistema Nacional de Television Network in Spanish 0130 GMT 26 Jan 96

[Statement issued by President Violeta Chamorro in Managua on 25 January; from the "National Newscast" — recorded]

[FBIS Translated Text] My dear Nicaraguan people:

As Nicaraguan president, I strongly condemn this morning's cowardly and criminal attack on Dr. Arnoldo Aleman's motorcade as it was heading, duly escorted by the national police, toward Wiwili, in northern Nicaragua, 300 km from Managua. Unfortunately, as a result of this criminal attack, police agent Luis Cruz was killed while on duty and three citizens were injured.

As soon as I heard about this attack, I ordered the victims to be flown by helicopter to Managua where they are being taken care of. In addition, I gave instructions to reinforce security for the motorcade. I have also asked the national police and Army to search for and arrest those criminals.

Since I first heard of this attack, I have been in touch with these victims and their relatives to express my solidarity and give them my full support. Once again I urge all Nicaraguans to stop the violence that might hinder our democratic process. The Government Ministry will duly inform our citizens about the progress of this investigation. Thank you very much.

Panama

Panamanian Workers: U.S. Expediting Contract Approval

PA2801222396 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Jan 96 p 32

[By Rogelio Antonio Cordova]

[FBIS Translated Text] The leadership of the Local 907 Armed Forces Employees Union has demanded talks with the president of the Republic and has reported that the U.S. Government is expediting the approval of contracts with U.S. companies. Local 907 Education Secretary Alonso Rodriguez said that "we are being adversely affected by the expedite approval of contracts in the military areas that, according to the assets reversion calendar, are not ready to be reverted yet." Foreign contractors come to Panama and take over the entire matter with the approval of the U.S. Government and the Southern Command, the leader underscored, adding that "the entire installations, along with all the activities to operate them, are in the hands of contractors in order for them to proceed to hire Panamanian labor force for less than the current minimum wages." According to the contracts, the hourly wage is 2.90 [currency not specified], and it should be 4.35 in the areas that pertain exclusively to contractors. This is what the 1977 Panama Canal Treaties and federal laws stipulate. He added that "the 4.35 hourly wage should agree with reality, because neither Panama nor the United States have raised contract wages in the last 16 years." Rodriguez explained that "the low contract wages, which violate legal regulations, prevent Panama from collecting more income taxes, educational taxes, and social security from the current wages of workers who fall under competitive parameters ($16 an hour and more)."

Panamanian Medical Association Agrees To End Strike

PA2801001896 Panama City LA PRENSA in Spanish 25 Jan 96 p 1A

[By Jose Quintero De Leon]

[FBIS Translated Text] At 0700 today, the members of AMOACSS [Association of Doctors, Dentists and Related Professionals of the Social Security Fund] will return to their jobs because the AMOACSS has agreed to end the one-week-old strike. This strike was made to demand the resignation of Social Security Fund [CSS] Director General Ricardo Martinelli.

The AMOACSS made this decision after a five-hour long special assembly session at the Athenaeum of Arts and Science [Ateneo de Ciencias y Artes].

After this assembly session was over, Mauro Zuniga, AMOACSS secretary general and spokesman for the National Medical Negotiating Commission [Comenenal], expressed great satisfaction with the results of this negotiation made directly with the Executive Branch, which showed great concern to solve this conflict.

When Zuniga announced the end of the strike, he said the AMOACSS will remain in a "state of alert" during the negotiation of the points that are pending discussion.

President Ernesto Perez Balladares had warned the strikers that in case they did not return to work on 25 January, he would enforce the law that provides for declaring their jobs void because of an unjustified five-day absence.

Among other achievements of this strike, Zuniga underscored the reorganization of the modernization program whose current form, he said, is part of the privatization process of medical services.

Zuniga said: "The Executive Branch also pledged to maintain the CSS undivided," which means that the principles of solidarity, universality, and integrity will be respected.

In addition, the Executive Branch guaranteed the participation of the entire organized community of CSS affiliates in decisionmaking on health matters such as the remaining points regarding the CSS.

According to Zuniga, all doctors have supported this strike which has established new labor relations between the CSS administration and the AMOACSS and Comenenal. Zuniga described this achievement as "extraordinary" because it returns their dignity to Panamanian doctors.

Zuniga restated his full satisfaction with the results of this strike and promised that they will return to their clinics this morning "with their heads up, their hearts swollen and proud" with being medical professionals.

Zuniga said doctors will not have to punch their cards as CSS Director General Martinelli had established because there are negotiations on the work schedules for doctors and the pertaining wage scales for overtime.

Zuniga insisted that their struggle's basic achievement was the rescue of the CSS's integrity for CSS affiliates and their beneficiaries.

Regarding their demand to remove Martinelli and his entire management team from office, Zuniga explained that the AMOACSS believes that an official who has lost his ability to harmonize with social sectors is not needed in any institution.

Therefore, "we believe that Martinelli should resign immediately if he has any dignity at all." In case Martinelli does not do so, Zuniga said, there are administrative and legal means to make him leave." [quotation marks as published]

Meanwhile, CSS Director General Martinelli, who had refused to make any statements to reporters, said over the telephone that he will continue heading the CSS and working to modernize this institution.

A CSS communique pointed out that during this strike, medical services were fairly normal and satisfied the needs of hundreds of CSS affiliates who required medical attention at the seven CSS clinics in the metropolitan area.

In this regard, Dr. Felix Pitti, CSS national deputy director for medical services and benefits, said that during the first day of the strike, the aforementioned seven clinics operated with 81.3 percent of their doctors and dentists under fairly normal conditions with the exception of the San Miguelito clinic where only 50 percent of the medical staff was working.

Dr. Pitti added that from 19 to 22 January, the doctors' attendance remained fairly normal, then it dropped to 51 percent on 23 January, and it abruptly jumped up to 74 percent yesterday, 24 January, when the end of the strike was announced.

Regarding the doctors' appointments and consultations that were accumulated during the strike, Pitti pointed out that the CSS has hired 140 new doctors who will work full time to help bring the CSS services up to date with the CSS affiliates "who were the only losers during this medical strike."

Argentina

Argentinian Accord on Patent Law 'Impossible Mission'

PY2601215396 Buenos Aires CLARIN in Spanish 25 Jan 96 p 18

[FBIS Translated Excerpt] The second meeting in less than seven days between PJ [Justicialist Party] legislators and government officials on the Patent Law bogged down. During the meetings they tried to draft a rules and regulations decree that would be accepted by the foreign and national laboratories without violating the spirit of the law that the legislators voted on three times in Congress.

The patents procedure concludes with the decree. But its drafting is causing a dispute between the Economy Ministry and Congress. [Economy Minister] Domingo Cavallo wants to introduce refinements and the legislators are defending the articles that they voted on.

A participant in the meeting held in the office of [Cabinet Chief] Eduardo Bauza indicated that it is "an impossible mission" to reach an agreement. As the decree does not admit half measures, the legislators now have freedom of action.

A delegation of congressmen will travel to Washington in February to explain the Argentine position to their colleagues in the U.S. Congress. They will also defend the law in the House of the Americas [Casa de las Americas]. [passage omitted]

Argentinian Withdrawal of Ship Ordered After UK Protest

PY2701015996 Buenos Aires CLARIN in Spanish 26 Jan 96 p 6

[FBIS Translated Text] The government on 25 January ordered the Argentine fishing vessel "Estela" to withdraw from the waters of the Georgias Islands because currently there is a ban on fishing under the so-called Convention on the Conservation of the Live Resources of the Antarctic (CCAMLR) in that region.

Vice Foreign Minister Fernando Petrella confirmed on 25 January that the Foreign Ministry decided to order the vessel to stop operating in that region after the British Government informally protested the "illegal fishing" that was being carried out. The British complaint was published exclusively by CLARIN on 25 January.

The informal protest is contained in a note that David Reddaway, the second ranking individual at the British Embassy, submitted on 24 January to Petrella himself, who stated that the Foreign Ministry is deciding whether it will answer in writing.

At any rate, Petrella verbally reiterated to Reddaway that Argentina "does not acknowledge" any type of British jurisdiction over the waters of the Georgias Islands. Therefore, the order for the withdrawal of the vessel was based on the fact that it was violating a CCAMLR, or Canberra Convention, ban. This is why the Fisheries Under Secretariat has decided to hold an inquest regarding the "Estela."

In remarks to Radio Del Plata, Petrella tried to play down the spat, which hides the struggle for the control of fishing in that part of the South Atlantic, by saying that "there is an abundant exchange of letters" on this topic between London and Buenos Aires.

Argentina's Cabinet Chief Meets PRC's Zhu Rongji

PY2701005896 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2343 GMT 26 Jan 96

[FBIS Translated Text] Buenos Aires, 26 Jan (NA) — Cabinet Chief Eduardo Bauza met tonight with PRC Vice Premier Zhu Rongji and evaluated the possibility of increasing bilateral trade and Argentine exports to that country.

Bauza also affirmed Argentina's "favorable" position regarding the PRC in its conflict with Taiwan.

The meeting, which was requested by Zhu Rongji to evaluate the state of bilateral trade relations, was held at 2000 in the South Room of Government House.

Bauza expressed to his visitor his satisfaction regarding the PRC's full resumption of sovereignty over Hong Kong as of 1997 in accordance with the commitment that has been assumed by the United Kingdom to hand over full sovereignty of that territory.

Within the framework of the evaluation of possible Argentine undertakings in the Asian country, Bauza indicated President Carlos Menem's wish to sell heavy water to the PRC.

Possible joint investment in the fishery, lumber, and mining sectors was also discussed, including the decision of the two governments to make advances in a possible air transport agreement that is currently under study at the level of under secretariats.

During the meeting, Bauza also requested China's support for the candidacy of Julio Barberis for the International Court of Justice, due to the Argentine jurist's prestige internationally as a judge and an academic.

Argentina: UCR President on Ending Convertibility

96SM0057A Buenos Aires LA PRENSA in Spanish 31 Dec 95 p 3

[Interview with Rodolfo Terragno, president of the Radical Civic Union (UCR); place, date not given]

[FBIS Translated Text] **Terragno Insists on Ending Convertibility Plan**

The president of the Radical Civic Union (UCR), Rodolfo Terragno, contended yesterday that the opposition is to blame for losing the 14 May presidential election, and he reaffirmed his conviction that Argentina must end the convertibility of its currency, by a deadline that he did not specify, saying that this would not mean a return to hyperinflation.

In a telephone conversation with Radio Continental the head of the UCR took stock of the chief political developments in the country in 1995.

"The opposition lost the 14 May elections. I saw 14 May as something that Argentines were very afraid of, as the source of two fears: on the one hand, fear of leaping into the void, and, on the other, fear of leaping into the past. And it seemed to me that those of us who had to offer an alternative to people had not succeeded in overcoming these fears and, to a certain extent, had inspired them. And this was part of our determination to move forward with a political agenda. I saw that at the same time that a debacle was occurring in the national government, the UCR was winning 355 mayoral posts. A phenomenon very similar to that of Franja Morada...which as the UCR was declining was winning in universities and university departments. When I saw what was happening in the provinces, I realized that a strong renewal was taking place there, and I began a project that in personal terms turned out to be successful and, to be sure, gratifying. At the same time, though, I find that an opportunity has opened up for the UCR and, therefore, for Argentine democracy, which needs clear-cut, well defined options from strong, united parties," the UCR leader said.

[LA PRENSA] There were two economic issues that defined your declarations this year. One, the issue of discontinuing convertibility, in the sense that we had to leave the convertibility system behind. And the second, that the UCR is still carrying the issue of hyperinflation around on its back.

[Terragno] I think that we Argentines have to avoid getting ourselves into traps and in this regard I think that we have to be very clear about what convertibility means. If one interprets convertibility as synonymous with stability and says "well, at some point we will have to discontinue convertibility," and if it is understood that this means that at some point we have to return to inflation, that is crazy. We have to discontinue convertibility and move forward, not backward; from the convertibility that implies a provisional stability we must move toward definitive stability, as other countries that had inflation problems and today have permanent stability have done. We must not go backward, we must not move toward inflation, no more inflation. I think that this is a lesson that everyone has learned. What does have to be explained to people is that convertibility is, in and of itself, a temporary system that has existed only in Hong Kong, Estonia, Lithuania, and Argentina, that no developed country and no strong economy has a system like this. It is an artificial respirator, which is fine. In 1991 I defended putting the economy on this artificial respirator, and it caused me a few problems back then. But we had to do away with the awful inflation that we had in 1989, 1990, and early 1991. And of course there was a price to pay. But I thought that as of 1993 we would have to begin creating institutions, a truly independent Central Bank for example. This is why I also spoke of the Bundesbank, of the German model. We must come to a point when it (convertibility) is not necessary.

[LA PRENSA] Is it easy to discontinue convertibility?

[Terragno] A system like this one is easy to begin and very hard to discontinue. If, for example, we wanted to discontinue convertibility tomorrow, it would be a disaster. We have to phase out convertibility, we have to end it before a crisis erupts, we have to gradually establish the mechanisms that will prevent inflation from breaking out again after we discontinue convertibility. We have to have a truly independent Central Bank. We have to create the institutions that will reinforce confidence in the economy gradually. This is why I an so insistent about the Bundesbank, because when a central bank is under the government...there is always uncertainty, uneasiness. We are in this situation today. The government deficit is awful, unjustifiable. A government that does not provide good medical care, that does not educate, and that manufactures nothing is now spending more than before.... But from the standpoint of inflation, the deficit of the central government is predictable. The fact that the public sector is now concentrated in the central government lends a certain predictability to revenues and outlays, but we still have a dependent Central Bank. Gradually we have to create by law the institutions to establish a system of stability.

[LA PRENSA] What do you think of the gathering that the federal judges held last week in the courthouse?

[Terragno] I think that it took place against the backdrop of a justice system that has to make a major effort to overcome people's skepticism. I think that what has happened in the Supreme Court, the way in which the vacancy was filled, the violation of Senate rules, the fact that the challenges were ignored, and now the disputes over nominations, all this is detracting from the solemnity, the seriousness, the gravity, and the trustworthiness that are indispensable to the justice system in order for a democratic society to function properly.

Bolivia

Bolivian Mineworker, Peasant Union Reject CIA Presence

PY2601152296 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 26 Jan 96

[FBIS Translated Text] Here is an Erbol [Bolivian Radio Schools] report from Oruro:

Mineworker and peasant union leaders have described as an offense to the people the presence of the CIA in Bolivia and have reported that the United States wants to establish a military base in the Chapare region [Cochabamba Department].

Guillermo Carrasco, Colquiri [Mineworkers] Trade Union secretary general, emphasized that the CIA's open, brazen, and increased presence in our country, with the approval of the current government officials, represents an offense to the people and to our sovereignty.

Brazil

Brazilian Foreign Minister Assesses Indian Partnership

PY2601125596 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jan 96 p A2

[Commentary by Foreign Minister Luiz Felipe Lampreia; from the "Open Space" column: "Brazil and Partnership With India"]

[FBIS Translated Text] In 1951, only four years after India's independence, in one of his trips to Bombay and Goa, [sociologist] Gilberto Freire pointed out the need "to establish closer relations between Brazilian and Indian intellectuals." He said then that this need was a consequence of the social and cultural affinity found between the two countries, as well as of the historic ties resulting from contact the two countries had during the colonial period through Goa. According to the illustrious sociologist, Brazil finds in India "the origin of several of its cultural characteristics and of its vegetation."

India, which is a member of the group of countries that have continent-like territories, has a population of 890 million, one of the largest industrial centers found in a developing country, and a self-sufficient agricultural production. It has sophisticated advanced technologies in various areas, and an impressive contingent of scientists and technicians. India is also the cradle of a more than 1,000-year-old culture, which inspired a process of colonial liberation that has not been very traumatic and that gave birth to the democratic stability that currently characterizes the country. India's middle class is comprised of nearly 170 million people, who have considerable purchasing power.

With these credentials, India started in 1991 a process of economic reforms that has been characterized by the open-market policy and the deregulation of the economy. This process also includes incentives to exports, reduction of import barriers, gradual convertibility of the currency, and an opening to foreign capital. The country legitimately expects to grow 7 percent this decade. In the last three years, foreign trade had an overall increase of more than 10 percent per year. The inflation rate stood below 10 percent per year. The increasing volume of direct foreign investment indicates that the international community trusts the reforms will be successful. An example of this increase is the amount of investment being made in the area of infrastructure and of risk capital. Nowadays, India is one of the main markets for U.S., Japanese, and German investment of this sort of capital.

These data reveal a notable modernization experiment. India is swiftly getting ready to join, in a decisive manner, the international economic community as one of the most attractive "emerging markets."

In the political field, the renewing of the cooperation accords signed with Russia, which has been India's traditional partner since the days of the Cold War, indicates that there has been no continuity problem in the two countries' bilateral relations. The intensification of relations with the PRC and the United States seems to have relegated past disputes to a secondary stage and opened a priority space for the pragmatism of businesses. India's has not been a process without accidental and sporadic retrogression. These, however, do not seem to have affected the course chosen by the country.

All that has been said so far confirms how correct President Fernando Henrique Cardoso's foreign policy is and how adequate his decision has been of including good relations with India in the list of Brazilian priorities. On the Indian Government side there is also a clear intention of intensifying relations with Brazil. Indian

Agriculture Minister Balram Jakhar's visit to Brazil last August shows this determination, because Jakhar is one of the most influential and respected members of the Indian Government. Another coordination measure being adopted by our two countries was to organize the meeting we held in New York in September with Indian Commerce Minister Pranab Mukherjee. This meeting took place in parallel with the UN General Assembly meeting.

I believe that we are now in a decisive stage of our relations. The bilateral trade prospects are encouraging, although they are beginning at a low level. The increasing number of enterprises involved in the trade flow is noticeable, and the entire process tends to become stronger with the implementation of the planned consolidation of bilateral cooperation in the trade area through "mixed entrepreneurial councils."

Plans for scientific and technological cooperation are promising, as shown by Minister Israel Vargas's visit to India to conduct a broad revision of potentials for joint projects.

In the multilateral forums, India and Brazil continue to occupy coinciding positions, such as in the case of the reorganization of the UN Security Council in order to grant it more representativity, legitimacy, and effectiveness. As an example of other topics on which the two countries have a similar position, we can mention that of commitments made by India and Brazil during the Rio-92 Conference with regard to biodiversity, climate, and forests. The two countries also agreed on supporting a broad plan for the elimination of nuclear weapons, as well as on the principles that command the recently created WTO.

Brazilian Commentary on Importance of Asian Countries

PY2601224896 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jan 96 p A2

[Commentary by Strategic Affairs Secretary Ronaldo Sardenberg from the "Open Space" page: "Asia, Asias"]

[FBIS Translated Text] President Fernando Henrique Cardoso visited the PRC and Malaysia last month. This month he will go to India, and in March he will visit Japan. We must not forget, either, Vietnamese President Le Duc Anh's visit last October.

What does all this moving around signify in the long-term?

First, thanks to this effort Brazil will reactivate its contacts with nations that represent half of the world's population and which, for thousands of years, have rendered priceless contributions to civilization in the fields of fine art, literature, philosophy, religion, and sciences. These countries have accumulated historic experiences that will be extremely valuable in our present stage of international uncertainty.

Despite the contemporary predominance of limitations, particularly those resulting from ethnocentricity, it would be absurd to omit Asia's global contribution to the history of humanity. With the end of the colonial era and of the Cold War, a new chapter of this history has started. Asia is becoming, more and more, the dynamic engine behind the international economy and is stimulating the countries of the region to play increasingly important political and cultural roles.

Here resides, therefore, a second meaning to the unpostponable intensification of Brazilian ties with Asian countries. The presence of these countries will increase swiftly and there is a strong possibility of it becoming the dynamic center of the international economy. Currently, economic globalization is only possible if the varied interests of Asia are contemplated. We must do all we can to ensure that the interests of South America and Latin America are also contemplated.

Over the past 10 years, the PRC grew 9.8 percent per year and Malaysia grew 8 percent per year. The possibilities of intensifying relations with these two countries are encouraging. Aspasia Camargo [not further identified] very adequately characterized these relations as those of the Brazilian giant and the Asian dragon; while Clovis Brigagao [not further identified] suggests the two countries should practice the "Tai Chi" exercise of building the main beam of their common relations through progress in the fields of politics, economy and trade, as well as culture.

Relations with the PRC, which were reactivated some years ago, are now blooming and the two countries are clearly determined to take new steps in all fields, including cooperation in space projects, which has yielded good results. At academic and university levels, as well as at political levels, opportunities for the exchange of experiences and for evaluations will be established this year. Within this framework, the two countries will meet to consider their strategies and to discuss the course to achieve political and economic globalization. This meeting has been discussed during the talks in Beijing.

Cardoso's visit to Malaysia, however, has unfortunately not received the extensive and creative media coverage it deserves. Malaysia has only 20 million inhabitants and a territory comparable to that of the state of Sao Paulo. It exports, however, $63 billion worth and imports $60 billion worth. Thus, Malaysia's international trade totals $123 billion. Domestic savings total 32 percent of the

GDP (which totals $75 billion), while the Brazilian domestic savings total only 17 percent of its GDP. In addition, Malaysia has been resolving its social problems through a system of rural settlements that discourage migration into cities and grants the rural population the income they must have to meet their needs and aspirations.

Malaysia is considered one of Asean tigers, which is probably the most successful economic arrangement of our contemporary world. The overall population of the Asean member countries totals 400 million and will soon reach 500 million. Compare that with the Common Market of the South, which totals 200 million; South America as a whole, 300 million; and Latin America, 400 million.

Planning increasingly better relations with Malaysia will be facilitated by the broad vision of reaching 2020 as a fully developed country. This objective gives us a clear idea of the social and economic efforts the country will make. From the bilateral viewpoint, this vision facilitates the organization of ideas, although Brazil cannot hope to achieve full development throughout our entire and enormous territory by then. Nevertheless, we could nurse this ambition for a large portion of our national territory. The state of Sao Paulo, just to mention an impressive example, has a population and a gross product twice as big as that of Malaysia. (The difference lies, however, in the rhythm of growth in Malaysia over the past decade, which was incomparably higher, and the fact that Malaysia is more open to international trade).

Over the past three years, India achieved an economic growth of 4.4-5.5 percent; its industry grew 8 percent; and the grain crop reached the record level of 185 million tonnes. It is more than time to review the common image that India has a stagnant economy and that it will never develop. The number of its absolutely destitute people has decreased fast, and its middle-class consists of 100-200 million people. The economic reform being implemented in India is opening a market that is already a reality and not just a hypothesis or a probability.

If we also consider Vietnam as a new Asian "tiger" and as a new Asean member that has been growing fast and that is a symbol of the second wave of industrialization in the region, it will strengthen the perception by Brazil and the rest of the world that we are not confronting a homogeneous Asia, but several "Asias" that have been growing at very high rates and are beginning to coordinate themselves in a manner typically and dynamically their own. Our country is in an ideal position to facilitate the coordination of all sorts of relations among Asian, South American, and Latin American countries. This follows the important role Brazil plays in its own region and the strong ties of friendship and integration that bind it to its neighbors.

Brazilian Investors Concerned About Privatization

PY2301125396 Sao Paulo GAZETA MERCANTIL in Portuguese 15 Jan 96 p A5

[Report by Maria Helena Tachinardi]

[FBIS Translated Text] Some 50 entrepreneurs, accompanied by the French foreign trade and finance minister and the British chancellor of the Exchequer, last week toured government offices in Brasilia but failed to obtain accurate information on the rules that will prevail for privatization, concession of public services, and restructuring of the Brazilian banking system.

In addition, they received conflicting reports, all of which proves that the government urgently needs to create an investment information center like the ones existing in Chile, Israel, India, and Indonesia, said Georges Landau, international consultant for enterprises like British Gas, which is a member of an international consortium that will build a gas pipeline joining Brazil and Bolivia.

This opinion was shared by economist Alvaro Manoel, a partner-consultant to MCM of Sao Paulo, a consulting and economic analysis enterprise that has more than 100 clients, 20 percent of whom are foreigners. He said: "The government has to centralize information in a single source, which could be the National Bank for Social and Economic Development (BNDES), which has privatization experience." If the government cannot do it, it should hire somebody else to do it," said Landau, who is a former official of the Inter-American Development Bank (IDB).

"This is am important moment in which circumstances in Latin America are favorable for Brazil. The country should organize itself to take full advantage of this situation abroad," said Jorge Elena, a representative of the IDB, which this year is planning to disburse $700 million for Brazilian projects worth approximately $2 billion. This disbursement is $200 million bigger than the amount disbursed in 1995.

Foreign investors are anxious because since October, after the approval of all the Economic Order reforms — definition of national enterprise, domestic shipping, easing of the Petrobras [Brazilian Petroleum Corporation], telecommunications and gas monopolies — the government has not yet issued the corresponding regulations. Regulations will not yet be ready this year," Landau said.

The longer the delay for approving the regulations, which must be approved by Congress, the stronger the risks to be run by the government. Political analysts have said that in an election year like 1996, the government will be inclined to making tighter regulations — to the detriment of foreign interest — because the opposition will tend to advocate more nationalistic rules and may obtain support from the government base.

The French and British entrepreneurs returned to their countries without a clear idea of, for example, the legal aspects of the privatization of the electric power sector, because this process involves federal, state, and municipal governments.

According to international consultants, it is important to sponsor seminars for advertising the new Brazilian image abroad, like the one to be held in New York on 17 and 18 January, in order to keep investors' interest alive. The consultants said that the government must get ready to release information.

Alvaro Manoel said that it is natural to feel anxious. He explained to his clients that from an institutional viewpoint, Brazil is different from Argentina and Mexico, that it is more complex than those two countries, and that for this reason privatization cannot be expected to run as fast as it ran in other countries.

"The privatization process in Brazil has been slower and more stable, and has generated positive effects. Entrepreneurs invest in sectors that appear to be profitable. The sounder the restructuring process, the more attractive they will be for investors. For example, it would be useless to privatize without knowing the relation between the federal and state governments in the electricity sector. All sources of conflict must be eliminated," Manoel added.

Investors have complained about the little opening in the Brazilian banking system. According to the MCM consultant, the opening has been "controlled." "The Central Bank wants foreign banks to participate without making large Brazilian banks lose control of the system. Foreigners can capitalize small banks that are in trouble," he explained.

Brazil's PMDB 'Annoyed' Over Cardoso Election Decision

PY2601001996 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 25 Jan 96

[FBIS Translated Excerpt] Leaders of the PMDB [Brazilian Democratic Movement Party] are annoyed over President Fernando Henrique Cardoso's decision to authorize his ministers to participate in the municipal election.

Senate President Jose Sarney today warned Cardoso that the involvement of ministers in the campaign could erode the administration's support base in Congress.

Speaking in Bombay, India, Cardoso said he finds it strange for the PMDB to have dispensed with the participation of PMDB ministers in the election. Cardoso said ministers may participate in the campaign as long as they refrain from using government funds or resources. [passage omitted]

In Bombay, an industrial city, Cardoso felt so much at home that he did not have any qualms about discussing domestic issues. He reiterated that he will not participate in the municipal elections, but noted that his ministers may do so.

[Begin recording] [Cardoso] I said I would not participate, that the administration as such would not participate. This is what I said. I will not to take part in it.

[Unidentified reporter] Will ministers be allowed to participate?

[Cardoso] They may participate, but they may not use the government apparatus. [end recording] [passage omitted]

Cardoso then presided over the signing of a cooperation agreement between the Indian and Brazilian industry confederations, discussed the Real Plan, predicted 15 percent inflation in Brazil in 1996, and commented on the globalization of the economy. He had the right speech for the right audience. He defended the economic opening and the easing of imports, but noted that excessive imports will provoke unemployment. He said: We cannot repeat the disastrous European unemployment experience. If necessary, the Brazilian administration will discourage imports to protect Brazilian industry. Cardoso's remarks are music to the ears of Brazilian businessmen.

Brazil's Workers Party Supports Social Security Reform

PY2201180996 Sao Paulo AGENCIA ESTADO in Portuguese 2243 GMT 21 Jan 96

[By Helio Gama Neto]

[FBIS Translated Excerpt] Sao Paulo, 21 Jan (AE) — The Workers Party [PT] on 21 January released an official communique in Sao Paulo in which it accepts the negotiations that CUT [Sole Workers Center] and the government conducted over the social security reform. The communique reflects the results of a meeting held on 20 January between party leaders and CUT President Vicente Paulo da Silva, also known as Vicentinho. "The CUT and the PT continue to walk along the same path," PT President Jose Dirceu said, adding that "last week's crisis is over." [passage omitted]

According to Dirceu, the CUT president emphasized to the PT that the eight points agreed upon with the government meet the PT demands for the social security reform, including the preservation of the seniority retirement. "The CUT states that this topic has been negotiated and, if it is so, we will support it," he said. [passage omitted]

The official communique reiterated the PT demand for the preservation of the seniority retirement, noting that it is necessary to "improve the criterion for calculation of the work period." However, the communique does not explain the type of improvement the party advocates. "What we do not want, in no way, is the elimination of the seniority retirement from the Constitution," Dirceu said.

During the meeting with Vicentinho, an agreement was also reached on a common agenda for the PT and CUT, to be used as a guideline for the future debates on the social security reform. "As of tomorrow, the CUT and the PT will begin debating on the subject with the political parties and the other labor centrals.

The official PT communique was drawn up by the Coordination movement, of which Dirceu and Vicentinho are members, and was approved by the party board of directors, with the votes of 39 members. The more radical factions, which belong to the Socialist and Democracy movement, submitted another proposal, which was supported by only 20 directors. [passage omitted]

Debt of Brazilian States Seen As Threat To Stability

PY2301195896 Sao Paulo GAZETA MERCANTIL in Portuguese 19 Jan 96 p A1

[Report by Vera Brandimarte in Sao Paulo]

[FBIS Translated Text] If they have not yet begun to worry, ordinary Brazilian citizens should start to do so. State administrations, which are responsible for a large share of services supplied to the people, are literally bankrupt. Their debts are growing out of control and this snowballing situation will ultimately impact the federal administration and, consequently, Brazilian taxpayers. The federal administration has been driven into this situation because liquidity problems affecting the states have been increasingly resolved by tranferring responsibility for those debts to either the National Treasury or the Central Bank [BC].

Upon their installation a year ago, the new governors inherited a debt totaling 95 billion reals [R] (which was equivalent to $112 billion at that time). This amount was almost equivalent to the internal debt of both the federal administration and of the BC, and payment in arrears was already accounting for nearly half of the above amount.

A year later, the situation has not improved much; rather, the contrary is the case. The debt of Sao Paulo State alone, in bonds and contracts, jumped from R34 billion to R50 billion, which ought to have sent the overall Sao Paulo debt to approximately R60 billion. Sao Paulo Finance Secretary Yoshiaki Nakano has said that, even without contracting new loans, the Sao Paulo debt has grown more than its total revenues, which amount to R16 billion annually.

A World Bank study published in November showed the composition of the above debt and its potential threat to any attempt at achieving economic stability in the long term, unless extremely tough measures are taken.

The current debt level is largely attributed to ultimate responsibility for these debts having been gradually transferred to the federal administration. Today, the federal administration acts as a guarantor, and it has indirectly become a major creditor of the states. Negotiations to reschedule these debts have been instrumental in bringing some immediate relief to the states. Yet, before honoring their new commitments to the federal administration, states can avail themselves of loopholes to contract new debts.

According to the World Bank, the problem will be resolved only if the procedures whereby states have access to credit are changed and the states strictly comply with payment of their rescheduled debts.

Brazilian Committee Approves Fiscal Stabilization Fund

PY2601002296 Sao Paulo AGENCIA ESTADO in Portuguese 2316 GMT 24 Jan 96

[Report by Rosa Costa]

[FBIS Translated Text] Brasilia, 24 Jan (AE) — The Constitution and Justice Committee of the Senate today approved by 13 votes to 6 the establishment of the Fiscal Stabilization Fund (FEF). Rapporteur Jader Barbalho (Brazilian Democratic Movement Party - Para) and some senators have agreed that the allocation of 20 percent of federal taxes to form the fund will result in a loss of resources for state and county governments. The amendment must now be approved in two rounds of voting in a Senate plenary session.

Barbalho said the Senate's decision to approve the FEF is "eminently political because it will ensure success of the Real Plan, which is vital for the country." Answering senators who pointed out inconsistencies in his decision to approve the proposal, he added: "I never made a secret of the fact that there will be losses for the state and county governments, but this is an extreme resource to which the government will have to resort until the tax and fiscal reforms are approved."

Government leader Senator Elcio Alvares (Liberal Front Party - Espirito Santo) believes it will be possible to hold the first round of voting on the amendment on 7 February. He said there is consensus among congressmen on the need to implement the FEF in order to balance public accounts.

Barbalho withdrew from his report the proposal to postpone the enforcement of the amendment for two months, as he had agreed to do during a meeting with Finance Minister Pedro Malan the day before. In the meeting, Malan promised to divide into 10 installments the taxes that state and county governments must pay the federal government in January and February, while the FEF is being debated at Congress. Barbalho rejected all modifications proposed by his congressional colleagues. He refuted comments by senators about the governors' concern over the losses that will result from the implementation of the FEF because the Social Emergency Fund (FSE), which preceded the FEF, previously prevented the Union from any possible loss. Barbalho said that surprisingly no one had commented on that. He said: "The governors met with President Cardoso and none of them criticized the FEF." He pointed out: "Perhaps the president's charm fascinates them during private meetings."

Senator Alvares; PFL leader Hugo Napoleao (Piaui); and Sergio Machado (Ceara), Brazilian Social Democracy Party leader, arrived late at the voting session. They arrived from the committee meeting during which the patents law had been discussed. They were concerned over criticism that most of the congressmen attending the meeting made over the FEF and immediately began to "hunt for" allies over the phone in order to revert the atmosphere of opposition to the proposal. Senator Edison Lobao (PFL-MA) [PFL-Maranhao], who had criticized the FEF a few minutes before, left the room at the moment of voting on the fund in order not to be forced to comply with his party leader's request for approval of the FEF.

Report Views Brazilian Money Laundering Scheme

PY2001001796 Rio de Janeiro JORNAL DO BRASIL in Portuguese 14 Jan 96 p 16

[Report by Vasconcelo Quadros]

[FBIS Translated Text] Sao Paulo — The Federal Police have unveiled a mystery of the financial market and revealed — after an investigation that took almost three years — that, even compared with the advantages offered by the traditional fiscal heavens, Brazil launders money better and makes ill-gotten money even cleaner than Switzerland. The investigation that ended this week led to the indictment of three foreign financial experts, masterminds of a scheme that started in Panama, then moved to Sao Paulo where it operated for four years through two front companies — Becket Corporation and Accent Financial Corporation — each of which had an estimated output of more than $1 billion. The illegal operations were carried out through current accounts belonging to nonresident foreigners (the CC-5) [Carta Circular-5] and included Brazilian foreign debt bonds, the purchase and sale of Brazilian currency and dollars, as well as illegal money remittances abroad. The accounts were in four international banks — the U.S. Citibank, Chase Manhattan, the British Lloyds, and the Dutch ING Bank, the former NMB — which, consequently, got involved in operations the police consider suspicious.

Front Companies — According to the police, most of the business was run by the front companies Becket Corporation and Accent Financial Corporation, set up in Panama by Israeli financial expert Abraham Djamal with the idea of it physically operating in Brazil as an institution, through Uruguayan agent Salomao Sapov Kaplan. The two enterprises had the support of Incorporadora Paulista Ltda. (IPL). Italian real estate businessman Giacomo Picciotto, who owns three other large businesses in Sao Paulo, is IPL's majority share holder. The documents and information obtained by the police reveal that Picciotto not only lent Kaplan some of his offices, but also paid for the translation of documents and made contacts with banks. He is Djamal's brother-in-law.

The scheme would have continued to operate smoothly had the police not discovered Picciotto's address, on the 17th floor in the building on 64 Largo Sao Bento, downtown Sao Paulo, when they interrogated Sao Paulo translator Andrea Justino. Federal Police Superintendent Joao Carlos Sanchez Abracos, in a report to which JORNAL DO BRASIL had access and which will be submitted to the 10th Criminal Court in Brasilia this week, ironically comments that "it was surprising to see an international scheme, with the participation of the so-called elite of the world banking sector, with such a sophisticated financial apparatus overlooking such petty details. In the translator's testimony the police found clues revealing the Brazilian link with the scheme and leading to the indictment of Picciotto charged with tax evasion and for operating a financial enterprise illegally.

When JORNAL DO BRASIL approached the businessman, Giacomo Picciotto reacted nervously by saying:

"There has been a great misunderstanding. I have nothing to do with Kaplan's activities." Later on he admitted that the agent of the Becket and Accent enterprises had used the IPL offices but added that it had been in response to a request by a foreign friend. He then admitted that he had followed Djamal's instructions. Picciotto said: "I never thought it entailed something illegal," and asserted that meeting Kaplan was "a misfortune." The police, however, have stated that Picciotto's relationship with the scheme is not innocent. Picciotto is accused of having carried out illegal exchange operations and of having controlled a network of black market dollar exchangers linked to the Accent company. Checks were issued at his office and all the facilities were used by Kaplan to operate in the financial market.

Picciotto — Statements by two executive managers of multinational banks involve Picciotto and his brothers Adolfo, Raffaele, and Sasson. Luiz Eduardo Farina, of Lloyds, said that both Becket and Accent companies were operated by Kaplan and administered, also, by relatives of the businessman. William Baynard Meissner, director of the legal department of the Citibank in Sao Paulo said that "the Becket group was a branch of the Picciottis."

Superintendent Abracos asserted that "Panama was a fake headquarters" and that Becket was the first of the two companies to be set up in that country. It arrived in Brazil in 1988 with an initial capital of $10,000 opening five CC-5 bank accounts — two at Citibank, and the remaining three at Lloyd's, Chase Manhattan, and ING Bank in Sao Paulo — and started to frantically invest in the purchase of foreign debt bonds and in the dollars and capital market.

What the Federal Police find odd is the fact that a company such as Becket — "obscure and for show" — so common in Panama, bought hundreds of millions of dollars worth of the foreign debt. Superintendent Abracos said that Becket acted as a front company for multinational banks, with borrowed accounts and names for triangular operations. According to him, clones of the Becket statutes circulated freely in Sao Paulo. He added: "the bank supervisory system — a fully discredited system — operates shamelessly. Not even ghost accounts could operate with the same identity and in several banks of the same market."

Black Market Dollar Exchangers — The Accent Financial Corporation was the other component of the money laundering scheme. This company was set up on 23 September 1990 during a meeting in Panama, at an office known as International Lecal Advisers. This company, also represented by Salomao Sapov Kaplan, opened CC-5 accounts in the Citibank and Lloyd's bank in Sao Paulo and started operating as a financial enterprise without even advising the Central Bank and the Federal Revenue. The Accent company headed a network of small and medium-scale black market dollar exchangers, with which it maintained a relationship somewhat similar to that with the dealers of the animals lottery — in other words, it gave them a hand whenever one of them couldn't balance his accounts.

The Accent company's organization scheme had a covert scheme comprised by 11 other paradise foreign companies — Tristar, Bedeminster, Down Corning, Sevilla, Banes, Somax, Bolton, Mallord, Tanton Cattleya and IDB [as published] — all of them involved in the illegal purchase and sale of Brazilian currency, dollar-exchange operations, and the remittance of money abroad. It was such an extravagant scheme that even Alagoas State businessman, Paulo Cesar Farias, aka PC, who owned one of the largest corruption schemes unveiled in the country, decided to open, through the Accent company, a new money laundering front. With Accent checks PC bought property from the real estate company Incorporadora Paulo Otavio Investimentos Imobiliarios Inc. — belonging to Deputy Paulo Otavio (PFL-DF [Liberal Front Party for the Federal District]) who was a friend of former President Fernando Collor — for 275,000,000 cruzeiros with Lloyd's bank checks and even lent $10 million to former Parana State Deputy Jose Carlos Martinez to buy the Corcovado television station in Rio de Janeiro.

Accent also issued checks to the order of ghosts Flavio Mauricio Ramos, Carlos Alberto Nobrega and the Brazil Jet Taxi Aereo company belonging to the PC scheme. Therefore, the police believe that the Alagoas businessman, specialized in ghost and orange [laranjas] accounts, used the Accent company to move between $20 million and $30 million, considered an "insignificant" sum of money compared to the amount of money that circulated within the illegal system created by the company. In a still preliminary investigation, the Federal Police have identified 57 people who benefited from transactions carried out through the four multinational banks in Sao Paulo, involving resources for more than $2 billion.

Oranges — According to the police, it is a lubricated system to recycle money operated by the two enterprises, "with advantages and privileges not to be found in any fiscal paradise in the world." As a comparison Superintendent Abracos mentioned, for example, that even the famous orange and ghost accounts allowed the supervisory systems to repress their users. In the case of the CC-5, all the Becket and Accent companies had to do was open the accounts — without the Central Bank or Federal Revenue's authorization. These accounts, shielded by bank secrecy moved huge sums of money, operated physically as financial enterprises within the country purchasing cruzeiros and dollars and sending money abroad.

Brazil Sees Increase in Invasions of Indigenous Lands

PY2601002196 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Jan 96 Section 1 p 7

[FBIS Translated Text] Just a couple of weeks after President Fernando Henrique Cardoso signed a decree contesting indigenous land demarcations, the number of invasions of already demarcated indigenous lands has increased countrywide.

The Forum for the Defense of Indigenous Rights reported on 23 January that since the decree was signed, on 8 January, four large areas have already been invaded by farmers and lumbermen.

The invasions occurred in areas occupied by Indians of the following tribes: Tembes in Para State; Kaigang in Parana; Munducuru in Amazonas; and Suruis in Rondonia. These areas cover more than 5 million hectares.

Lidia Luz, of the Pro-Indian Committee, said: "The decree stimulated these invasions. It has become easier to invade the areas and then contest the demarcation and the indigenous tribes' ownership over them."

The Forum for the Defense of Indigenous Rights believes there have been many more invasions. It is difficult to evaluate the real extension of the invasions due to communication difficulties between the indigenous reservations and the indigenous entities.

In Para, for example, there have been invasions in every jurisdiction of the seven administrative regions of the Funai (National Indian Foundation). There are 39 indigenous areas in the state. Funai has confirmed the main invaders are lumbermen, gold-prospectors, farmers, and even marijuana planters.

Chile

Chilean Minister on Upcoming Visit by Secretary of State

PA2701200896 Madrid EFE in Spanish 1716 GMT 27 Jan 96

[FBIS Translated Text] Santiago, 27 Jan (EFE) — Foreign Minister Jose Miguel Insulza today said the visit of U.S. Secretary of State Warren Christopher to Chile denotes the high grade of existing relations between the two countries.

The visit "will allow us to talk not only about bilateral topics but regional and multilateral ones as well," Insulza said after praising the political stature of the high-ranking, U.S. Government official.

Meanwhile, U.S. Ambassador to Chile Gabriel Guerra Mondragon has confirmed that Christopher's visit to Chile will take place between late February and early March, during his visit to Latin American and Caribbean countries.

During his visit to Santiago, Christopher and Chilean officials will review the state of bilateral relations and certain matters still pending between the two nations.

While underscoring the visit, Insulza said Christopher's stay will also serve to analyze a group of international problems following Chile's joining the UN Security Council.

During his 39 months in office, Christopher has visited 79 nations but only Haiti and Mexico in Latin America. His tour of the region this time will include Brazil, Argentina, Trinidad and Tobago, and El Salvador, according to Guerra Mondragon.

Chile's Frei on Measures To Modernize Justice System

PY2501145096 Santiago EL MERCURIO in Spanish 20 Jan 96 p C6

[FBIS Translated Excerpt] President Eduardo Frei yesterday outlined the main measures adopted by his government to carry out what he considers an effective modernization of the justice system. This, he said, is one of the priority tasks for this year.

In the chief of state's opinion, this modernization consists namely of making justice accessible to everyone and protecting in a more effective manner the rights of every citizen.

In this sense he said that one of the main issues will be the Penal Procedural Code reform bill currently being debated in Congress. This bill proposes a change in the conception and administration of justice in Chile. Among other things, it proposes separating investigations from passing down sentences, both jobs which are currently carried out by a single judge.

Frei recalled that the code currently in force is over 100 years old and needs to be reformed to adapt to the new Chilean reality.

The bill currently in Congress enjoys the consensus of all sectors, said Frei, because 42 of its articles have already been approved.

This year, he said, projects will be submitted to Congress creating Family Courts, within the framework of the approved law on domestic violence. "This will be a decisive step to look into and solve problems when a family crisis exists. We are thus showing that we believe in the family and that it is the main nucleus of our society."

President Frei also mentioned other measures related to the administration of justice. Among them he mentioned the Juridical Assistance Program for vulnerable sectors.

This program consists in creating juridical consultancy offices, especially in remote or isolated districts. The program includes mobile consultancy units whose activities will be expanded this year.

Regarding the prison policy, he commented that for many years no money was invested in prisons. Therefore, he said, several penitentiaries are being built with an investment of 10 billion pesos this year.

These resources will be earmarked, among other projects, for the construction of a new prison in Valparaiso. Frei noted the importance of having adequate prisons because it contributes to the rehabilitation of the people who have violated the law. The president added: "The prisons should not be schools of crime, but rather a place where people have a chance to work, learn, and fully rejoin the society."

Frei said that work is being done with the National Service for Children [Sename] and admitted that there have been a lot of difficulties getting Congress to approve Sename's budget for this year because it was one of the budgets that was cut back.

The president said that this budget will help complete diagnosis and rehabilitation centers in Antofagasta, La Serena, Valparaiso, Concepcion, and Chillan.

President Frei made these statements during a ceremony to dedicate development projects in Macul. [passage omitted]

Canadian Official on Accord Talks With Chile

PY2301021396 Santiago EL MERCURIO in Spanish 20 Jan 96 p C2

[FBIS Translated Text] Katherine McCallion, Canadian deputy foreign minister for Latin American affairs, yesterday asserted that the bilateral agreement Canada and Chile will begin to negotiate next week will not be incompatible with NAFTA; quite the contrary, it will help Chile join this agreement.

McCallion said that "the treaty with Chile is not incompatible with its entry into NAFTA; rather, it will, specifically, contribute greatly to Chile joining it."

McCallion referred to the subject after meeting yesterday with Foreign Minister Jose Miguel Insulza.

The Canadian minister came to Santiago to represent her country at the hemispheric conference on poverty and discrimination held in Chile with the participation of delegates from 34 [as published] countries.

Her first comment to the media was: "This is a new opportunity for Canada to hold a very important meeting with a great friend in Latin America like Chile."

She added that Canada values the bilateral economic relations, which she termed "very strong."

In the political field, she said that she had discussed subjects such as Haiti and Cuba with Minister Insulza.

She confirmed the arrival in Santiago next week of a Canadian negotiating team to start talks designed to sign a free trade agreement with Chile. This round of talks will be held from 24 to 26 January.

Regarding his meeting with the Canadian deputy foreign minister, Minister Insulza said that one of the issues raised was the upcoming visit President Eduardo Frei will pay to Canada. He said that the date for this visit has still not been decided.

Insulza refuted some press reports asserting that the bilateral trade agreement will be signed in June.

Insulza said: "In a rather hasty and irresponsible manner, the newspapers reported that the agreement would be signed in June. Once again someone is giving a date for which I will be held responsible later on. I want to point out that at least I and the Foreign Ministry are not responsible for giving those dates someone is going around mentioning."

He insisted that the government has not set a deadline, but that the sooner the agreement is reached, the better.

Chilean Team Begins Free Trade Talks With Canada

PY2601222696 Santiago EL MERCURIO in Spanish 25 Jan 96 p B1

[FBIS Translated Text] More than 40 experts of the Chilean and Canadian governments began yesterday in Santiago the first round of negotiations for reaching a temporary bilateral free trade agreement between the two countries.

The Chilean team is headed by Juan Gabriel Valdes, coordinator of the Finance Ministry International Department, and his deputy negotiator Alejandro Jara, director of the Foreign Ministry Multilateral Affairs Department.

The Canadian delegation, which is made up of 20 experts, is headed by Keith Christie, director of the Economic and Trade Policy Department of the Canadian Foreign Ministry, and his deputy negotiator Gary Luton.

Valdes and Christie are optimistic about the negotiations, which will include the access of goods to markets, investments, services, and mechanisms for solving controversies.

Valdes said that the negotiations are important because reaching an agreement with Canada will be an important step for our future entry into the NAFTA, of which Canada is a member.

Asked about the possibility of running into problems during the talks, Valdes explained that all the issues for discussion are more or less complicated but, he said, "the future looks optimistic."

Keith Christie said it is important for his country to reach an agreement.

He added: "Chile is a first class trade partner in the field of goods and services, and also in investments. Therefore, it is logical that we formalize, through a bilateral treaty, what is already a reality; namely, intensive trade relations between the two countries."

Regarding the second round of negotiations, Christie announced that it is scheduled to be held in Canada, but he gave no details.

Bilateral trade between Chile and Canada reached $550 million in 1994, which is 25 percent higher than the previous year. Chilean exports to the Canadian market totaled $235.7 million and imports $314.4 million.

The Canadian average tariff is a little higher than the U.S. tariff. If an agreement is reached, it may produce concrete benefits for the Chilean agroindustry and manufacturing industry, and for other national products that are entering the Canadian market with tariffs above the average.

The private negotiations between the two teams will be held until 26 January in the Hotel Crowne Plaza. Juan Gabriel Valdes will deliver the official information of the negotiations on 29 January.

Chilean Party Head on 'Dissatisfaction' With Government

PY2701025196 Santiago EL MERCURIO in Spanish 25 Jan 96 p C5

[FBIS Translated Text] Alejandro Foxley, president of the PDC [Christian Democratic Party], pointed out aspects of the Chilean situation which, despite a sustained economic and social growth, are creating among the population a sense of dissatisfaction that may seem contradictory with the situation of the country.

In this regard, Foxley pointed out that the reason given by the population, as expressed by all sectors, for this situation is that "the macroeconomy is doing very well but in the microeconomic sectors things are not working."

The economic growth rate in Chile is 7 percent a year and this created greater employment and significant salary increases. The government proposal entitled "Growth With Equity" means that for every point of national growth, 45,000 people no longer live in extreme poverty.

But Foxley believes that many of the current problems are caused by the great differences in the distribution of income in the country, whereby the richer 20 percent earn an average of eight times more than the same percentage of the poorest sector.

Foxley believes that in order to find the real reason why people are dissatisfied, it is necessary to go deep into more precise issues and problems affecting the population because this is the only way to find the real problems affecting them. In this regard, he admitted the existence of four elements which increase the discontent.

The process of economic opening and modernization experienced by Chile as a result of its incorporation into the APEC [Asia-Pacific Economic Cooperation], the economic treaties, and the possibility of free trade with other nations created a great change in the productive structure, which doubled in size. When this excessive growth began, some productive sectors deteriorated because they did not have the necessary development level to compete.

This economic opening created a sudden eruption of diverse goods and products previously unknown to the population, leading to high consumption. Foxley added: "People go crazy with their consumption habits, and this great opportunity involves becoming progressively indebted."

Foxley also believes that another mistake made in the current development strategy is that there was a great growth in the private economy and a great deal of negligence in public development. This crated an imbalance because the private sector grew much faster, leaving behind the public goods and services which are essential for the people. As a result of this situation, traffic conditions and highways deteriorated, and public service worsened.

He pointed out that the country is in a stage where the differences with regard to making progress are greater because there is no real ability to recognize specific problems in particular sectors.

One of the examples showing this problem can be seen in the progressive increase in juvenile unemployment, which in Chile reaches 12 percent. This is a very high percentage in comparison with the 5 percent unemployment rate at the national level, despite the fact that many of the youths have completed their education.

Another example showing the lack of identification of the people's basic problems is the situation in which adults live, taking into account that the adult population is increasing rapidly due to the increasingly low birth rate.

Yet another example is the failure of the program for solving the extreme poverty in the rural areas, where there has been no increase in production.

As one of the most important points of analysis, Foxley emphasized the need to strengthen family ties because this institution is going through a crisis. This situation creates great insecurity among women and children because the family is left in the charge of the woman.

In view of the different problems that are creating an environment of dissatisfaction among Chileans, Foxley reflected on this issue because even if there was sustained economic development and a liberal democracy, the most important social problems have not been resolved.

In this regard, Foxley proposed the implementation of a plan of social capital, which is a plan that has been permanently advocated by the PDC and which is the trademark of the party policy.

Chile's Frei 'Firmly Rejects' PDC Deputies' Criticisms

PY2701022796 Santiago EL MERCURIO in Spanish 25 Jan 96 pp C1, C4

[FBIS Translated Text] President Eduardo Frei firmly rejects criticisms and objections posed by some members of the Christian Democratic Party [PDC] bloc of deputies with regard to government activities in various areas.

The meeting between the president and PDC deputies — which was termed extremely positive by the participants — was held on 22 January at La Moneda Palace. After discussing matters of national interest during the meeting, some deputies criticized aspects of the works the executive branch is carrying out to promote the country's socioeconomic development.

It was learned that President Frei replied and rejected each of the objections expressed by the deputies, stressing the fact that the government is doing things well. He also rebuked the negative view of some congressmen regarding the work carried out by the administration he has been heading since 1994.

After rejecting the criticisms, he urged the deputies from his party to make known throughout the country the work the government is carrying out in the areas of health, education, housing, infrastructure, and increased salaries for public employees and retired personnel. He also stressed the economic progress achieved by the country, particularly in 1995.

This week, during the meeting held between Frei and the bloc of socialist senators at the president's residence on Baztan Street, the president strongly conveyed to his visitors his concern because the government actions are not sufficiently appraised or fully understood by congressmen of the coalition.

PDC deputies who were present at the meeting with the president agreed that President Frei was extremely tough and frank with those who conveyed their criticisms. Concerning agriculture, for instance, he said that their criticisms contrasted with the letter addressed to him by the National Society for Agriculture about the "correct measures" adopted by the government in this sector.

Deputies Juan Carlos Latorre and Andres Palma said that the meeting with the president was very positive. Latorre said that the PDC deputies expressed their concern on several matters, and that the president broadly rebuked them for the opinions and the subjects discussed.

When asked whether President Frei "reprimanded" some deputies who criticized the works being carried out by the executive branch, Latorre said that the president "urged us to cooperate with more energy in making known the government achievements in such a manner as to contrast the critical opinions with the success the government is achieving."

Concerning whether the president feels that he is receiving little cooperation and understanding from his party congressmen, Latorre said the president noted that it is not easy to adequately inform the community about the tremendous work being developed and done in different areas, and "in that I agree with him."

Andres Palma also said that the meeting was very positive, and said that all subjects related to government action were discussed. "We witnessed a very firm, very constructive attitude by Preside[illegible]rei," he said.

He added that Frei outlined to the PDC deputies a number of challenges regarding how to improve the government action and how to better integrate work between congressmen and executive branch officials, either to improve the administration or to publicize the work of the current administration. "One of the issues discussed is that there is a certain smear campaign against the government action. We agree with the president that the situation in the country is positive, but there are millions of Chileans still living in poverty."

Palma said that the president told the bloc that municipal elections are very important, that we must work to achieve good governments in the municipalities, "and that means governments of the coalition," he said.

After the meeting with Frei, it was agreed that the bloc of deputies will meet in March with PDC ministers and under secretaries to analyze these matters, taking into consideration the fact that the president wants the congressmen themselves to stress the work the government is doing, instead of criticizing and complaining.

The president was reportedly also annoyed by the position assumed by Deputy Nelson Avila (Party for Democracy — PPD), president of the committee investigating the construction of a sewage system by Esval [Valparaiso Sanitation Works Company — Empresa de Obras Sanitarias de Valparaiso], who has accused PDC officials of some irregularities.

He reportedly also expressed doubts about whether Deputy Guido Girardi, also of the PPD, is of the government or of the opposition because of his frequent criticisms, especially those addressed to Agriculture Minister Emiliano Ortega (PDC), whom he accused of being authoritarian.

Some of Girardi's criticisms were made during news conferences together with PDC Deputy Mario Acuna, one of the 31 deputies who was present at the meeting with the president.

Chilean Paper Interviews UK's Chancellor of Exchequer

PY1801220596 Santiago EL MERCURIO in Spanish 14 Jan 96 p B8

[Interview with the Kenneth Clarke, British chancellor of the exchequer, by Ricardo Leiva S. and Felix Ibanez — place, date not given]

[FBIS Translated Excerpt] [EL MERCURIO] Is there a specific plan to increase British investments in Chile in the short term?

[Clarke] The British Government lets the private investors make their own decisions. Investors will come to Chile if they decide that Chile is more attractive than other countries of the region. Many have already made that decision. I think we can improve trade with the agreement to promote and protect investments we have just signed with Minister Eduardo Aninat. Now we hope to make fast progress to sign a double taxation agreement. It is also very important that the EU and Chile reach an agreement to eliminate obstacles for trade. In this sense the British Government has particularly backed the Chilean Government to reach the broadest possible agreement as soon as possible.

[EL MERCURIO] When could an agreement of that nature be signed?

[Clarke] As far as we are concerned we would like it signed early next year. The British and the Chileans, by instinct, favor the "free market" policy and we hope the EU as a whole will grant us its support as soon as possible.

[EL MERCURIO] When asked whether he thought that Chile attracts foreign investments, Clarke did not hesitate to mention the inconveniences that hinder a greater economic integration with Great Britain.

[Clarke] Chile still has control mechanisms on capital investments and a minimum reserve requirement for foreign investments that can only be repatriated one year later. There are people who want to turn Santiago into the main financial center of the continent, but this will be very difficult to attain as long as the control mechanisms over capital investments exist. However, the good reputation and well regulated Chilean financial system attract British banks and enterprises. In fact, a lot of British investments in Chile do not fear the restrictions on repatriation of capital.

[EL MERCURIO] How about our customs tariffs?

[Clarke] Chilean custom tariffs are low. Some sectors may have problems in those areas in which we want to eliminate tariff barriers. This is what we hope to attain with the EU. An agreement between Chile and Mercosur [Common Market of the South] would also attract British investments. Due to its situation, Chile could become very attractive to investors seeking access to greater markets such as Mercosur.

[EL MERCURIO] Great Britain is the third largest foreign investor in Chile, after the United States and Canada. Canada is an especially important investor due to its capital investments in the mining sector. What prospects does this important trade relationship have?

[Clarke] I hope that we will, at least, be able to maintain this level. Our investors would like to be above the

Canadian investors that surpass us only because of their significant investments in the mining sector.

We would also like to tip the trade balance in our favor, by increasing our exports to the Chilean market but without restricting the Chilean exports to Great Britain. This is what trade is all about. Great Britain also benefits with the import of Chilean goods. [passage omitted]

Chilean Army 'Annoyed' Over Remarks Against Pinochet

PY2601024396 Santiago EL MERCURIO in Spanish 25 Jan 96 p A10

[FBIS Translated Text] The Chilean Army expressed its "profound annoyance" over the remarks made in Congress yesterday against Army Commander General Augusto Pinochet as a result of the arrest of Chilean citizen Enrique Arancibia Clavel in Buenos Aires for his alleged involvement in the murder of General Carlos Prats.

The Army asked for respect for its chief in a brief communique released yesterday.

It has also been learned that Acting Army Commander General Guillermo Garin reportedly called for a meeting of the corps of generals for noon today to evaluate the recent events in which the name of the Army and other issues are involved.

Yesterday, Socialist Deputy Juan Pablo Letelier said in Valparaiso that in view of the new information on the Prats case, "it is now more important than ever that General Pinochet, not because of legal responsibility but because of institutional responsibility, tell the country why, as Army commander, he did nothing in the country to find out who murdered his predecessor."

Christian Democratic Senator Jorge Lavanderos simply called for Pinochet's resignation.

In light of this and other remarks, the Army released the following communique:

"In relation to the remarks made on 23 January against Army Commander General Augusto Pinochet by some congressmen and disseminated by the media, the Army states its profound annoyance and categorically rejects the remarks.

"The Chilean Army believes that the Army commander deserves, as a person and because of the position he holds, the highest respect of all sectors of the country."

Chilean Army Auditor on Anti-Pinochet Remarks

PY2601175496 Santiago LA TERCERA DE LA HORA in Spanish 25 Jan 96 p 6

[Interview with Army Auditor General Fernando Torres Silva by Jose Ale; place and date not given]

[FBIS Translated Text] The Army yesterday expressed its "profound annoyance" over remarks made by some congressmen against General Augusto Pinochet, Commander in Chief of the Army, due to the reopening of the Prats case.

Through a communique the Army expressed its "categorical rejection" of those remarks and warnings to which it was submitted since the arrest in Argentina of Enrique Arancibia, a former agent of the dissolved DINA [National Intelligence Directorate] and because of its presumed involvement in the murder in 1974 of General Carlos Prats, former Army commander in chief.

"The Army feels that both the commander in chief and the post he is holding, deserve the maximum respect of all sectors of the country," the note states.

The Army had said that it will not respond to the accusations and warnings against Gen. Pinochet. Senator Jorge Lavandero (Christian Democratic Party) has asked for Pinochet's resignation from his post for the possible involvement of the institution in this case.

General Fernando Torres Silva, Auditor General of the Army, yesterday said that 22 years have already passed since then, and so "it is not appropriate" for the Army to begin some investigation due to the recent arrest in Argentina of former DINA agent Enrique Arancibia Clavel.

He added that the Army will not provide any legal defense to the detainee because Arancibia "has never belonged to the Army," and added that Chilean military officers are only "spectators" of the proceedings in Argentina.

[Ale] What do you think about the possibility that Arancibia Clavel had been a member of the dissolved DINA?

[Torres Silva] I must first learn about the proceedings and have some background of the case. This is an old story which has been appearing lately, which should not surprise us because something of the case has already appeared when some of Townley's remarks were learned. I would say that the information we have at hand is that received through the press and some which is arriving from Argentina through the same way, that is, through public communications. There is no opinion on the matter.

[Ale] Do you rule out Arancibia Clavel's participation in Carlos Prats' assassination?

[Torres Silva] I cannot rule it out because that supposes having information, and that is precisely what I don't have.

[Ale] Some politicians have asked for Gen. Pinochet's resignation because of this arrest. What do you think?

[Torres Silva] Stupid things are said everywhere.

[Ale] This is the case of a former commander in chief of the Army. Will the Army do something? Will it take some initiatives, or will it analyze the situation?

[Torres Silva] It is something that happened outside Chile 22 years ago. I do not think it is appropriate for the Army now to begin an investigation on the case. We have no serious background information except for the press reports, that things had happened the way it is being said.

[Ale] Will the Army provide some kind of cooperation with the Argentine justice?

[Torres Silva] As far as I know, cooperation 22 years later is a bit difficult because of the time that has elapsed.

Chile: Correction to Laguna del Desierto Ruling Upheld

PY2201170796

The following correction pertains to the item headlined "Chile's Insulza Upholds Laguna del Desierto Ruling," published in the 22 January Latin America DAILY REPORT, page 59:

Column one, first paragraph, last sentence, please make read: ...are sufficient grounds to request that he be disqualified. (rewording)

Colombia

Colombia's Medina Provides 'Proof' Against Samper

PA2701053396 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0130 GMT 27 Jan 96

[Interview with Santiago Medina, former treasurer of the presidential campaign of President Ernesto Samper Pizano, by CNN reporter Patricia Janiot at Medina's house in Santa Fe de Bogota; date not given — recorded]

[FBIS Translated Text] [Janiot] In the first part of our interview, Medina discloses proof that reportedly would involve President Samper Pizano in the financing of his campaign by drug money. Why did you decide to speak, six months after your arrest?

[Medina] I felt that as treasurer of the campaign I am in possession of some documents, and I have been gathering some information that democratic Colombians have been sending to my house that I feel are of vital importance to clarify all these developments.

[Janiot] Have you decided to expand your testimony?

[Medina] Today, I asked the Prosecutor General's Office to please expand the interrogation so I can submit documents I feel are of vital importance to clarify whether or not President Samper was aware of the existence of hot money in the presidential campaign.

[Janiot] What are those documents?

[Medina] There are basically three of them, which I feel the country and the whole world must know. The first constitutes the proof that President Samper, while in office, met with Cali cartel delegates in Quito, Ecuador, on 4 September, when he attended the Rio de Janeiro Group Summit. The Prosecutor General's Office has the official visitors' book that guests had to sign at the hotel where the presidents and foreign ministers were staying. The records clearly show that a Cali cartel envoy visited the president on 4 September from 0735 to 0800 in the morning.

[Janiot] Who is that envoy who met with Samper?

[Medina] Because of the secrecy of the proceedings, I cannot provide his name. The Prosecutor General's Office, however, fully knows about this and has a copy of the original book, which contains the names and arrivals and departures of persons who accompanied the president.

As the second important document, Guillermo Pallomari, chief of finances of the Cali cartel, stated that former Comptroller General Manuel Francisco Becerra was involved in the delivery of some Cali cartel funds to be used in the campaign in some southern departments.

Samper, as candidate in the campaign, personally asked me to meet with Manuel Francisco Becerra to get the authorization from the Cali cartel to deliver the sum of 300 million pesos out of the money it donated to the campaign in the city of Cali [para que le autorizara el cartel de Cali de los dineros que entrego a la campana le suministrara la suma de 300 millones de pesos]. This appears in Mr. Pallomari's testimony that has been made public, and I have given the Prosecutor General's Office the document in which Ernesto Samper in his own handwriting mentioned the departments to which Mr. Becerra must .... [pauses] help me to finance.

[Janiot] How do you demonstrate a specific case of the document that you will show us .... [pauses] The president makes reference to legal money that Francisco Becerra received.

[Medina] I would say that this piece of paper helps to corroborate Pallomari's statement. The Prosecutor's Office has already verified or corroborated Mr. Pallomari's statement. I think it is of vital importance to find a document with Samper's own handwriting, revealing which departments that (?Mr. Becerra handled).

[Janiot] Why did you keep those proofs until now?

[Medina] I have spent time slowly reviewing all documents and papers I had from the campaign. I have gathered some things that I am not just delivering today, but that I will also provide later on when I can verify each one of the [words indistinct].

[Janiot] Mr. Medina, doesn't this sound like a conspiracy: former Defense Minister Fernando Botero spoke and then two days later you decide to do the same?

[Medina] No. One week before Botero spoke, the media had already announced I was going to speak on 17 January. Precisely, the minute I learned that Botero spoke, I chose to let a few days go by and to hand in my documents.

[Janiot] Among the things you talked about [words indistinct] according to the inquiry is that the president did know about the infiltration, the entrance of drug trafficking money in his campaign. Do you have evidence of this?

[Medina] I would tell you something. In an enterprise such as this, a political campaign of this nature must have — and there has to be — a head. That head is the candidate. He is the sole, real beneficiary of the entire work of a campaign. It is absolutely impossible that in a campaign such as this the president was unaware of the financial origin that took him to the presidency.

As I said at the Prosecutor General's Office, the president not only knew about it, the president organized the whole thing directly. He planned the mechanisms to obtain money from the Cali cartel.

[Janiot] It seems that you coincide with what former Defense Minister Fernando Botero said publicly, in the sense that the president did know, but we are talking about oral evidence. Is there documentary evidence that supports the charges that the president did in fact know?

[Medina] The campaign's accounting documents do exist. This campaign has falsified its accounting documents and has turned in balances of 4 billion pesos, but expenditures were exceeded by more than three times that amount. That is more than enough evidence. Everyone knew, not only the president; all campaign members had to know about the source of the money. They had to know that illegal money was in the campaign.

[Janiot] Except Fernando Botero, as he recently told the media.

[Medina] In the case of Fernando Botero, I would like to say the following: I admire the courage Botero had. It is not easy, after five and a half months of fooling the country, to recognize that one has told a lie.

[Janiot] You said, however, that all campaign directors knew about it, including Fernando Botero, obviously. Botero, however, said a few days ago that he did not know about it. He simply found out in the final days of the campaign and sinned by omission because he remained silent. There is a contradiction here. Who is telling the truth?

[Medina] I would like to talk about Fernando Botero's statements once I learn about them in their entirety.

[Janiot] You were able to see during Botero's interview; is he telling the truth?

[Medina] Botero has been sincere.

[Janiot] Is he telling the entire truth? If Botero is sincere, is the president lying to the country?

[Medina] I believe we have all been victims of a trick played on us by Ernesto Samper. Unfortunately, we have realized it late. Another important document I am turning over to the Prosecutor General's Office is a copy of the minutes of a meeting held by the associates of the Banco de los Trabajadores when it was owned by Gilberto Rodriguez Orejuela. Ernesto Samper appears as the principal member. We are talking about 1984. I do not think you appoint someone a member of the board of directors of a bank as important as this one — it was the third largest bank in the country — if you do not know him. Their friendship dates back to 1984, when he was appointed member of the board of directors of the Banco de los Trabajadores. He was never sworn in, but he was appointed.

[Janiot] Returning to Fernando Botero's statements, he said he has evidence to support his statements. Do you know what evidence he is talking about?

[Medina] I believe the evidence is what I turned in. I do not know which evidence it is exactly. The only thing I would ask him to do is to turn it in if he has it. The country needs to be clear about this.

[Janiot] When you maintain that all the directors of the Samper campaign were aware of the Cali cartel's financing, whom are you referring to?

[Medina] I am specifically referring to current Interior Minister Horacio Serpa. During the campaign, Serpa was responsible for arranging the debates. What were the duties of the debate manager? One of his duties was to politically organize departmental elections. This was the reason why drafts were made by the regional treasury. Do you believe that a person who was aware and decided exactly how many drafts were going to be sent to every department would not know the source of the funds?

[Janiot] Do you have any document to prove this statement?

[Medina] No. However, it would be absurd to deny that a person who was the No. 3 or No. 4 man in the Samper campaign and who managed the funds — as I just told you — starting with giving orders on how many funds were going to be allocated to the regional treasuries was unaware of the source of the funds.

[Janiot] What about the participation of Rodrigo Pardo? What did he know about this money?

[Medina] At the time, current Foreign Minister Rodrigo Pardo was responsible for managing the campaign's publicity, basically, the campaign's design. I believe we spent most of the campaign's money on publicity, and he handled the largest amount of funds that would not be officially recorded on the books. It is impossible to believe that someone who managed such a substantial budget for the campaign's publicity was not aware of the source of the funds. The figure that was allocated for publicity was larger than the total amount assigned for the campaign [word distinct].

[Janiot] If Fernando Botero is not telling the entire truth [words indistinct], and neither is the president, why should anyone believe that you are telling the truth?

[Medina] I believe that the Prosecutor General's Office has [words indistinct], documents proving there was an infiltration. At the beginning, people questioned the truth of my declarations [words indistinct]. However, day by day, people are becoming more convinced that I am telling the truth. Various people, even congressmen, have come up and said the same things.

[Janiot] Why do you so vehemently maintain that Samper was the mastermind, while saying that you received direct orders from Botero? How was the campaign's financing planned and who gave you direct orders to go collect the funds?

[Medina] The first person who offered us Cali cartel funds was Alberto Giraldo. Earlier, Botero authorized — in light of the campaign's financial needs — me to travel to Cali to talk to the Rodriguez brothers and ask them for assistance. I confirmed this order directly and personally with President Samper to make sure that I had his approval. He told me to go ahead and work out the details with Fernando, but to leave him out of it.

[Janiot] Was there any witness at this meeting?

[Medina] No. It was only the two of us.

[Janiot] What transpired the day that you learned about the narco-cassettes?

[Medina] There was a general stir.

[Janiot] What do you recall?

[Medina] I remember it vividly, because on that day, we had made plans to watch the soccer game between Colombia and Romania in my house. We were all going to be there: President Samper and all the campaign directors. At about 1430 in the afternoon, I received a telephone call from Miguel Rodriguez, who told me that the narco- cassettes were going around and that I should deny any knowledge of them and say that they were full of lies. When Botero and then presidential candidate Samper arrived, the first thing I did was ask them about the narco-cassettes. They told me that everything was already under control, and that they had already spoken to the appropriate persons to prevent the narco-cassettes from going public. In addition, that very night, we watched the television newscast to make sure that none of this information had been revealed. The presidential elections were held the next day.

[Janiot] Do you recall specifically what the president told you in your house, as you have just mentioned?

[Medina] He told me that the situation was under control, that he had spoken to President Gaviria, that President Gaviria knew about the cassettes, and that they did not constitute any real proof of anything, as they were not official material.

[Janiot] Did they, at any moment, ask you to get rid of any evidence?

[Medina] Certainly. At the time the narco-cassettes were made public, three days later, the first thing we — all of the persons who worked on the Samper campaign, because I do not want to incriminate only one person, but everyone involved in the campaign — decided was to immediately make anything vanish linked to Cartel money.

[Janiot] How do you see yourself [words indistinct]? Where? Doing what? What will Santiago Medina do in the coming years?

[Medina] First, I must resolve a pending case with the Prosecutor General's Office. I am currently facing charges for illegal enrichment in favor of a third party, and that third party was no one else but the president of the Republic. He was the only person who truly benefited from those funds. Once I have cleared this up, I plan to leave the country for a while, rest, find myself, and try to somewhat recover myself from the blow I have sustained. This has been quite a heavy blow for me. I have lost a reputation that took me a long time to build. I have neglected my businesses and all of my activities.

However, I have also learned that when one tells the truth one gets support from the people, and I am convinced that all Colombians will support me when they realize that from the very beginning — from my first testimony, I have told the whole truth.

Colombia's Medina: VP Did Not Know of Money

PA2701053996 Santa Fe de Bogota Cadena Nacional in Spanish 0330 GMT 27 Jan 96

[Report on interview with Santiago Medina, former campaign treasurer of the campaign of President Ernesto Pizano, by CNN correspondent Angela Patricia Janiot in Medina's home in Santa Fe de Bogota; broadcast in progress — passages within quotation marks recorded]

[FBIS Translated Text] [Janiot] "...any relation?

[Medina] "Immediately. Immediately, the first thing Samper and Botero suggested to me was that I leave the country because nobody knew what could happen. I did not want to leave under any circumstance. I did not want to renounce under any circumstance my duty to face the situation that arose.

[Janiot] "Did you get offers of ambassadorial appointments?

[Medina] "I was offered the Embassy in Greece but I declined it.

[Janiot] "Why?

[Medina] "Because I felt that the idea was to get me to leave the country so that if any problem arose I would not speak.

[Janiot] "Did you receive pressure from the highest level of government at the end, when you were arrested?

[Medina] "Sure!

[Janiot] "What kind of pressure?

[Medina] "Well, every kind of pressure. The purpose was to keep me from speaking, or it was said that the government would fall if I did. For that reason, I realized the country needed honesty. We cannot go on in this uncertain situation in which I lived a year, guarding and hiding everything I knew. I wanted to tell the country that what I did was really to receive orders. I was an employee of the campaign; I am not the mastermind, as the mastermind is the candidate who was the sole beneficiary of all this."

[Janiot] We asked Santiago Medina what Vice President Humberto de la Calle knew about the financing of the campaign with drug money.

[Medina] "Nothing. Humberto de la Calle did not really know the origin of this money. He never had any involvement in the financial side."

[Janiot] We asked Medina; however, how to account for the fact De la Calle was uninformed about the drug money in the campaign, considering the huge sum of money that, according to Medina, the Samper campaign received from the Cali Cartel.

[Medina] "The work De la Calle performed had nothing to do with the campaign, the administrative part of the campaign. He was devoted to touring the country, visiting the places the candidate could not go. That did not allow him to have access to the books and know about the movement of money.

[Janiot] "After the disclosure of the the cassette of a telephone conversation in which President Samper and Mrs. (Elizabeth de Sarrio), whose husband has ties to drug trafficking and is in jail, I got the impression the president felt close to and trusted (Elizabeth Sarrio).

[Medina] "I knew Mrs. (Elizabeth Sarrio) because I was introduced to her by the manager of the bank in which we had one of the campaign banking accounts. When I met her, I learned she was a long-time friend of Samper. I did not know her before, but they did know each other for a long time. She was the treasurer for the Valle, Cauca, and Narino Departments in the 1990 campaign.

[Janiot] "Does proof exist to corroborate what you just said about Mrs. (Sarrio)?

[Medina] Sure, a very large number of people know this and are aware of this.

[Janiot] "President Samper denied the conversation .... [pauses] He said that she was one of the many people who called the campaign, and he answered the phone in a very polite manner.

[Medina] "They were very good friends, and she also helped the campaign in getting a large amount of money, not just in Bogota but also in San Andres and Valle and other parts of the country where she had connections.

[Janiot] "What personal monetary donation did she make to the campaign?

[Medina] "The personal donation was a relatively major sum. As far as I recall, she personally gave me 30 million pesos. Other donations were donations from friends of hers to cooperate with the (?campaign).

[Janiot] "According to the telephone conversations to which I am making reference, (Mrs. Sarrio) offered a ring to the president so that he could give it to his wife. The president, however, in a subsequent communique from the presidency said the ring was in fact offered, but he never accepted it. What do you know about this ring?

[Medina] "I know it was offered, but I never saw the ring.

[Janiot] "What about the political repercussions that may take place in this country after this interview hits the airwaves?

[Medina] "I do not think only the country but the entire world needs to be clear about this topic. Colombia cannot continue to exist with a blindfold. I believe that the biggest problem of the country is that the president lied to the country, a country that believed him. He lied to all the people who believed and worked and cooperated with him.

[Janiot] "What is your biggest wish at this moment?

[Medina] "I want everything to be clear. I want the country back to normal. I want the country to return to its [passage indistinct]."

Colombia's Samper Calls Medina's Remarks 'Slanderous'

PA2701054596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0157 GMT 27 Jan 96

[Report by Diana Mateus]

[FBIS Translated Text] President Ernesto Samper Pizano has just rejected the remarks by Santiago Medina, the former treasurer of his political campaign, to the CNN television network. Medina's remarks seriously compromises Samper Pizano as to what he knew about the infiltration of drug money into his campaign.

A press communique issued by the Narino Palace warned that the Presidency strongly rejects the absurd statements Mr. Santiago Medina gave today to an international television network. Those slanderous and dastardly remarks do not deserve to be believed by any Colombian.

The president immediately got in contact with Prosecutor General Alfonso Valdivieso Sarmiento to ask him to explain why individuals who are under arrest and in the hands of justice are granting international and local news conferences, often violating the confidentiality of the proceedings.

[Issued] Narino Palace

[Dated] 26 January 1996

Colombia's President Cancels Trips To Europe, Asia

PA2701043996 Madrid EFE in Spanish 0229 GMT 27 Jan 96

[FBIS Translated Text] Santa Fe de Bogota, 26 Jan (EFE) — Colombian President Ernesto Samper today canceled a trip to Switzerland, Spain, France, Japan, and China, due to the political crisis of his administration because of the alleged presence of drug trafficking money in his electoral campaign. The tour was scheduled to begin on 1 February.

Diplomatic sources told EFE in Bogota that initially his trip to Switzerland was canceled. Samper was to attend an international economic forum in Davos, but due to the crisis, the rest of the tour to Europe and Asia was canceled.

This week, Samper has been the target of a wave of accusations over his alleged responsibility in the illegal financing of his electoral campaign. Several ministers, ambassadors, and other officials have tendered their resignations.

Samper was to inaugurate a meeting of Colombian ambassadors in Europe on 6 February in Madrid. Afterward, he was scheduled to meet with King Juan Carlos II and Spanish President Felipe Gonzalez.

In France, Samper was to meet with President Jacques Chirac.

The Foreign Ministry has said that Samper was seeking "to strengthen political bonds and diversify the issue of trade, economic, and technological cooperation between Colombia and the EU, as well as with the countries in the Pacific basin."

Colombian President Denies Overseeing Campaign Funds

PA2801031596 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 28 Jan 96

[Interview with President Ernesto Samper Pizano by Margarita Meza on 27 January; place not given; from the "AM/PM Newscast" — recorded]

[FBIS Translated Text] [Meza] Nobel Prize Laureate Gabriel Garcia Marquez said yesterday that you must calm down. Frankly, I think you are remarkably calm considering all that is happening.

[Samper] The truth is that the only thing that they cannot criticize me on — that is, the only thing that is left to criticize — is my composure. This has been a very difficult six months. I have handled the situation with a sense of composure that, I believe, has allowed the country to move forward.

[Meza] People say that this composure almost seems [word indistinct].

[Samper] You must have heard that from my enemies. My friends think just the opposite.

[Meza] The country is divided into two camps, or at least attempts are being made to do this. The truth is that some speak of a vicious capitalism, on the one hand, and others speak of the defense of society, on the other. The man on the street — you have seen it on the newscasts — is starting to face this situation.

[Samper] I know that there may be something deeper behind all of this. The truth is that my government's social plan is aggressive in the sense that it is ambitious.

[Meza] Let us take a look at the figures. We see, for example, that the [words indistinct] was 9.5. It was the highest of the past three Decembers. That does not seem to be very (?social). If we take a look at the figures provided by the (?solidarity network), we find there is not enough investment, that money allocations have lacked, that expenditures...

[Samper, interrupting] As for the topic of jobs, the question is not what the rate is but what would have happened if the government had not done what it has done to create jobs. For example, what would have happened if we had not created the 150,000 new small enterprises, if we had not developed the social interest [word indistinct] which compensated for the commercial construction cycle? As for the network, it will never be enough. The network intends to reach the poorest 10 million Colombians.

[Meza] The truth is that there is an uncertainty in the country.

[Samper] I do not see that. I do not see an economic problem in the country. I know the economy quite well. I know it like the back of my hand.

[Meza] By the way, Mr. President, do you know how much money entered your campaign?

[Samper] If I knew that, I would have already said so. I would not have said, as I have repeatedly said, that any amount of money that may have entered my campaign did so behind my back.

[Meza] Is whether you knew or not important?

[Samper] I think it is important to evaluating my conduct. It is as if I asked you: Did you know about the crime that was committed next door? Did you know about it?

[Meza] But that was next door. We are talking about the campaign of which you were in charge.

[Samper] A campaign is not like a house. If you did not know, you are not an accomplice.

[Meza] Does this mean you were not in charge of the campaign?

[Samper] Exactly. That's it. I was involved in the political activities. I was working on winning the elections. The campaign was very well designed, it was very well centralized as far as financial and administrative aspects were concerned, and it was in charge of the operational aspects, let's say.

[Meza] This sounds like you are now saying as president: I handled the political side and have nothing to do with the financial side because that is something I assigned to others. Even though you assigned these duties to others, you are ultimately responsible.

[Samper] It is as if you asked me at this moment: How much money was spent at the supermarket by the private house at Narino Palace?

[Meza] It is like asking you how much is the national budget.

[Samper] That is something I can tell you because it is a bigger responsibility, which I have as head of state.

[Meza] But I am asking about the money that got you elected.

[Samper] No, that comparison is not valid.

Colombia's President Reiterates Denial of Accusations

PA2801144396 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Jan 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] In Santa Fe de Bogota, President Ernesto Samper Pizano again has denied the recent accusations made by men who participated in his presidential campaign. They have contended that the then candidate was aware of the presumed donations the Cali cartel made to support the electoral process. The chief of state has insisted the actions his government has carried out to disband the Cali cartel demonstrate that he had no ties with the leaders of this criminal organization.

In statements to TIME magazine, President Samper has said former Defense Minister Fernando Botero is lying to obtain benefits and spoke under legal and family pressure. As for the strong accusations former campaign treasurer Santiago Medina has made, Samper not only has denied them but also has deemed them absurd, slanderous, and vile.

Colombian President Discusses Consultation Issue

PA2901050396 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 29 Jan 96

[From the "AM/PM" newscast]

[FBIS Translated Text] In the interview granted to "AM/PM," President Ernesto Samper spoke about the popular consultation. The president told Margarita Meza that the government will decide the question to be asked in the consultation:

[Begin recording] [Meza] That question would in some way decide a political situation. But at this time we are talking about an ethical and moral situation.

[Samper] In some way it would also decide an ethical and moral situation because it would give or remove legitimacy from the government mandate.

[Meza] Your interior minister has said that the topic would be the government, in other words, the government program. But the people obviously chose this government program when they elected you, so that is not the decision to be made at this time.

[Samper] I think that is a subtle distinction. What we are a little bit unclear about is the type of question. What I can assure you of is that the question would be one that would unequivocally lead the people to state whether they want me to stay or leave.

[Meza] Would you be willing to call a great national consultation on that question?

[Samper] Well, that would mean two processes. I think that, as established by the Constitution, the question should be presented by the government and approved by Congress and its constitutionality should be considered by the Constitutional Court.

[Meza] Mr. President, how transparent could this consultation be when it would be a question from the government, a consultation promoted by the government, whose chief of the debate would probably be Dr. Serpa, and with you obviously having resources available?

[Samper] It would be a consultation in which I would oppose all those who at this time have been questioning, criticizing the government [words indistinct] in the same way that no president has used or has been known to use his office to help a candidacy in recent years. I would also not use the office in favor or against the question.

[Meza] But at this time you would pull all the strings.

[Samper] But I would not use them, that is the difference, because there is no dictatorship here.

[Meza] You were in Guaguas. You delivered a speech and you took a gift. That looked more like the beginning of a campaign.

[Samper] I have been going all over the country for a year and a half, taking aid to the municipalities. That is the social program I am developing.

[Meza] At this time, what is being discussed is your attitude [words indistinct] in a campaign....

[Samper, interrupting] [Words indistinct].

[Meza] That has nothing to do with your government program. Is it moral and ethical to [words indistinct] with government programs?

[Samper] What I am saying is that the legitimizing of my government program consists precisely in learning whether the people want me to continue with those governments. Do I make myself clear? That is different from all this other debate that involves due process, the possibility of explaining my conduct, the investigations of the Prosecutor General's Office, and the evidence that is presented.

[Meza] So the question would have to be not whether the people want that program to continue but whether the people think it ethical to have a president questioned for hot money in his campaign.

[Samper] I do not understand you because we are precisely saying that first would come the process that examines my conduct and if I were exonerated in that examination, then the political ratification would take place.

[Meza] But it is [words indistinct].

[Samper] But you also do not like Congress, and what about the Prosecutor General's Office?

[Meza] But there are many being investigated in Congress.

[Samper] But the Prosecutor General's Office is the one that prepares the material about which Congress will state its opinion, and to give assurances to the people we are lifting the confidentiality of the brief and we are conducting a transparent process.

[Meza] Do you think this crisis is becoming too heavy a burden?

[Samper] Let me leave you with a general concern: I think the neoliberal development model is causing us great harm in Latin America because it has deinstitutionalized us.

[Meza] But Mr. President, what does neoliberalism have to do with the possibility of drug trafficking money in your campaign?

[Samper] The money can be investigated, but I think it would be very naive to think that this is the sole explanation for the entire crisis. There is a hidden agenda in this crisis and the people will one day learn about it. [end recording]

Colombian President on WASHINGTON POST Editorial

PA2801194396 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 28 Jan 96

[Interview with President Ernesto Samper by Adriana Escobar from the Hato Grande Hacienda in Santa Fe de Bogota; from the "Cripton Newscast" — live relay]

[FBIS Translated Text] [Escobar] In yesterday's editorial, Mr. President, THE WASHINGTON POST asked the U.S. Senate to carefully study the arguments it has to decertify Colombia, because this decision could be very harmful to the United States and also because it could make the country lose a major partner in its fight against drugs. How do you interpret THE WASHINGTON POST editorial?

[Samper] Although I have said the certification is a U.S. domestic problem, it seems to me the editorial made a very wise recommendation that would be corroborated by the results of our government's fight against drug trafficking. There is not one single government in the history of the drug trafficking fight that could demonstrate the outcome and results the Colombian Government has shown for the past 18 months. It has incarcerated cartel leaders, destroyed illicit crops, and fought money laundering. I believe these are all the ingredients of what would be a very reasonable decision by the U.S. Senate regarding Colombia's fight against drug trafficking.

[Escobar] Do you believe there are contradictions in the statements Santiago Medina and Fernando Botero have made?

[Samper] I believe there is one contradiction. One talks about innocence, and the other talks about guilt.

[Escobar] Major General Ricardo Cifuentes, 2d Division Commander, resigned on 26 January. Do you think there will be more resignations?

[Samper] I hope not. I am certain the generals who support the government are aware of their responsibilities and duties, given the current difficult situation; they told me this the evening of 26 January. This remark certainly calms me down not because of the government but because of the country, which needs to have armed forces and generals committed to defending the constitutional order.

[Escobar] Mr. President, do you believe you were misinterpreted when you talked about an unbreakable tie between you and Vice President Humberto de la Calle?

[Samper] I was misinterpreted by those who thought the tie did not exist.

[Escobar] Do you feel the country's political and social forces endorse and support you?

[Samper] I feel supported by what a president needs to feel supported by to know he is doing his job. I feel supported, above anything else, by the people my social program is helping. I feel supported by the Colombian countryside, which is very significant. It makes us, the people who live in Santa Fe de Bogota, feel that there are other departments, other regions, and other peoples besides those in Santa Fe de Bogota. I feel supported by people who are committed to making the country move forward. I certainly feel supported by the Armed Forces and by a good economic performance.

Colombia's Samper Interviewed on U.S. Certification

PA2801153096 Mexico City EL FINANCIERO in Spanish 22 Jan 96 p 38

[Interview with President Ernesto Samper by Miguel Badillo in Santa Fe de Bogota; date not given: "Narco-Power: Political Struggles and Pressure"; passages within slantlines published in italics — first eight paragraphs are introduction]

[FBIS Translated Text] /Santa Fe de Bogota, 21 Jan — In view of U.S. meddling in the domestic affairs of other countries to exert pressure and to make them implement policies repressing drug trafficking, Colombian President Ernesto Samper has criticized Washington's certification process and has described it as "a U.S. domestic policy problem."/

The Colombian president raised his voice and responded to the U.S. pressure by saying "Colombia is mature enough not to be taking tests every year."

With the unlikely certification the government of William Clinton is preparing for Colombia because it believes this South American country has not done enough to deserve U.S. economic and military support, Samper has accused U.S. Ambassador Myles Frechette of affirming that Colombia's certification would be difficult because of the U.S. internal political situation.

"If that is the case, we have nothing to do and nothing to say, only that the United States must resolve its domestic problems, because we will continue working on the fight against drugs, which we believe is a problem of conviction not one of coercion, regardless of whether we get this certification," Samper has said in light of the upcoming certification the Washington government will make public on 1 March.

The United States uses the certification issued to countries fighting drug trafficking to exert political pressure, threatening them to withdraw the economic and military allotments used to confront drug cartels.

In this case, Colombia's certification is in jeopardy for several reasons: the allegations that Cali cartel money was used in Samper's presidential campaign; the recent escape of drug trafficker Jose Santacruz Londono from La Picota Prison; and Washington's apprehension toward former Prosecutor General Gustavo de Greiff, the current Colombian ambassador to Mexico. This is done to exert pressure on Colombia and to force it to reimplement the extradition of drug traffickers so the United States may prosecute and imprison them.

The certification problems involve not only Colombia. Year after year, Mexico also withstands the U.S. test and grade on its fight against drugs, but the 1996 certification, which will be made public on 1 March, is already a fact thanks to the decision the government of Ernesto Zedillo made last week to extradite Gulf cartel leader Juan Garcia Abrego, who is on the U.S. authorities' 10 most wanted list.

In an interview with EL FINANCIERO, Samper has talked about the danger drug trafficking poses to Mexico, has responded to the charges on his presumed involvement with drug cartels, and has criticized the U.S. certification policies.

[Badillo] /Latin America is experiencing a widespread demand for justice and democracy that has led to the investigation and prosecution of the presidents of Brazil, Ecuador, Venezuela, and now Colombia. Mexico is also facing a similar demand. What is your opinion on this fight against corruption in the Latin American governments?/

[Samper] Corruption is not a new phenomenon; its new aspect is the countries' use of controls to combat this serious phenomenon. No country is exempt from facing corruption of the type Mexico and Colombia are facing; it could happen to any country. "The important thing to gain from this situation is having the possibility of society reacting to this corruption and developing methods to combat it."

[Badillo] /Investigating Latin American presidents is a new phenomenon, however./

[Samper] Yes. Investigations of them are a new phenomenon, but conducting them is not necessarily new.

[Badillo] /What is the Colombian experience in the war on the corruption generated by drug trafficking?/

[Samper] The first thing is to acknowledge the situation. Acknowledging the phenomena such as drugs can cause the instability of institutions but does not mean we are going to solve the problem.

"The first thing is to make a kind of act of contrition and afterward, as the catechism advises, to resolve to make amends. Colombia has experienced hard times of infiltration by drug trafficking, but we are now in a phase in which we are developing controls, acknowledging the existence of the corruptive power of drug trafficking and trying to move forward the war on corruption."

[Badillo] /In Mexico, the concern is that the Colombian war on the Cali and Medellin cartels has prompted those criminal groups to move their bases to countries such as Mexico and that they bring along the laboratories to process great amounts of drugs. How serious is the risk for Mexico?/

[Samper] I believe Mexico has the same possibility of establishing institutional and legal controls to prevent the harmful infiltration of drug trafficking money in the varying activities of its institutional life. I am certain that Mexico, as Colombia, will realize the seriousness of its own crisis and establish its own modes of control, as we have established them.

[Badillo] /What are the main elements to be taken into consideration to fight drug trafficking, after Colombia went through a period of crime and murder?/

[Samper] There are no universal formulas on this matter, and each country has to find its own way. I have an excellent personal relationship with the president (Ernesto Zedillo), as my namesake, and I am certain he has all the personal and professional qualities to move

Mexico forward, as all of us who regard Mexico as our big brother want.

[Badillo] /In view of the Colombian experience, what would you advise Mexico regarding the war on drugs?/

[Samper] We are prepared to cooperate with anything Mexico may require from what has been the painful Colombian experience, and it is not because we are the holders of a revealed truth on this matter but because we believe our recent experience may serve it, among other things, to keep it from paying greater and more painful costs in its handling of the situation.

[Badillo] /Your administration has fought drug trafficking and has succeeded in capturing the Cali cartel leaders, but this situation is now reversed, and the spotlight appears to be on you on account of the accusations of ties to the drug mafias. How do you feel about the inquiry against you?/

[Samper] Those are the contradictions that problems as vague as drug trafficking present. I think the best thing to do is to continue working and developing institutional modes of control.

[Badillo] /Did you receive drug money to finance your political campaign?/

[Samper] I have no knowledge of it.

[Badillo] /What is your opinion of Case 8000, in which politicians are being investigated for receiving Cali cartel money?/

[Samper] This has been a difficult case. I understand this case is not over, but it has been a case in which Colombian institutions have been put to the test. My biggest concern as president is that the case may divide Colombians in the end.

[Badillo] /The investigation against you indicates the Colombian people are seeking to live in democracy and justice./

[Samper] The investigations demonstrate the strength of institutions. During those months, I have been satisfied to see that the press has been able to inform freely, the government has continued to govern, and the judges have continued to investigate.

[Badillo] /If it is proved that the Cali cartel funneled resources into your political campaign, would you resign as president?/

[Samper] I am not thinking of resigning, because that act would be one of cowardice. I am not going to leave the country in the midst of a crisis.

Alleged Colombian Plan To 'Murder' Samper Attorney

PA2601185796 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 26 Jan 96

[From the "Colombia 12:30" newscast]

[FBIS Translated Text] President Ernesto Samper's attorney, Antonio Jose Cancino, and his family were transferred to a military garrison in Santa Fe de Bogota after it was learned yesterday there is a plan to murder the lawyer. Cancino is preparing to leave the country within the next few hours.

Colombia Extends Internal Disturbance Decree 90 Days

PA2701054696 Madrid EFE in Spanish 0346 GMT 27 Jan 96

[FBIS Translated Text] Santa Fe de Bogota, 26 Jan (EFE) — Today, the Colombian Government extended for a period of 90 days the state of internal disturbance decreed last November in light of the continuing political and public order disturbances.

Medellin did not explain the executive's reasons for extending the state of internal disturbance decreed on 2 November following the outbreak of violence, which included the assassination of Alvaro Gomez Hurtado in the opposition. Gomez Hurtado was nominated to be presidential candidate by the Conservative Party three times.

However, he stressed that the reasons for which this state of internal disturbance was decreed last time still prevails.

The government of Colombian President Ernesto Samper faces a difficult situation in light of growing charges over the financing of the president's electoral campaign with drug-related money.

The state of internal disturbance was established by the Constitution of 1991 to replace the former state of siege, and enables the executive to restrict the freedoms and speed up the issue of special measures to control public order.

President Samper tried to promulgate this state of internal disturbance last August, when the crisis erupted in the wake of the accusations of "drug-related" financing, but the Constitutional Court invalidated its promulgation as it deemed that it was not in keeping with the stipulations of the Constitution.

Colombia's Bolivar Plaza Under 'Military Control'

PA2701042796 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 27 Jan 96

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] It now turns out that no one knows who ordered Bolivar Plaza closed. Interior Minister Horacio Serpa said it was the municipal government of Santa Fe de Bogota. Mayor Antanas Mockus said he was not the one, however, those protesting against Samper as well as those supporting him were able to get in today.

From Monday, 22 January, until today, 26 January, the police and the Army had prohibited people from entering Bolivar Plaza. It remains under military control. The entrance of university students has especially been prohibited. Interior Minister Horacio Serpa explained this morning the prohibition of the protests.

[Begin recording] [Emisoras Caracol Newscast Director Dario Arizmendi] Why has Bolivar Plaza been closed off and why has it been placed under military control? This is something we have not seen in decades.

[Serpa] It is a public order matter, and I understand it was determined by the Santa Fe de Bogota Mayor's Office. The government has absolutely no problems in accepting any kind of demonstrations as long as they are legal. [end recording]

It was only after this interview that the prohibition was lifted. The strange thing is that according to Mayor Antanas Mockus, his administration did not give the order as Serpa said.

[Begin recording] [Mockus] I did not give the order, and I do not think the municipal government's secretariat gave the order either. We want to know in writing who made the decision to close Bolivar Plaza. [end recording]

The question is: If the government and the Mayor's Office did not give the order, who gave the order?

Colombian Military Meeting Concludes Amid 'Secrecy'

PA2701055396 Mexico City NOTIMEX in Spanish 0518 GMT 27 Jan 96

[FBIS Translated Excerpt] Santa Fe de Bogota, 26 Jan (NOTIMEX) — Local media reported that an emergency meeting of Colombian military commanders ended around midnight in this capital, amid total secrecy.

The military officers' meeting, which had been confirmed by civilian Defense Minister Juan Carlos Esguerra, lasted slightly more than three hours, and the high-ranking military commanders who attended the meeting abandoned the facilities under strict security measures.

Media sources did not rule out the possibility that they had discussed the prospect of a large-scale resignation by officers who do not agree President Ernesto Samper should remain in power while he faces a difficult moment due to his alleged ties with drug trafficking. [passage omitted]

According to local media, aside from the officers' possible resignation, they also reviewed the request for a clarification regarding various reports about the cancelation of their visas to enter the United States. [passage omitted]

CM& Newscast said that, upon conclusion of the meeting, Armed Forces Commander General Camilo Zuniga met with President Samper in a military club where the president's lawyer, Antonio Jose Cancino, is lodged.

Cancino and his family sought shelter after they received death threats. It was not revealed if the conclusions of the military meeting were discussed in the meeting between the president and the military officer.

Colombian Army Commander: Country Under Control

PA2601204296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1744 GMT 26 Jan 96

[Report by Edwin Gomez from the "Midday Newscast"]

[FBIS Translated Text] I am speaking from the National Defense Ministry where Army Commander General Harold Bedoya Pizarro has just said that any individual who attempts to block the flow of traffic throughout the country's highways will be charged with terrorism. He also has said that the country is under control and that the military forces are united; thus, this is how he has informed Defense Minister Juan Carlos Esguerra Portocarrero and the president of the Republic:

[Begin recording] [Bedoya] The country is functioning normally. We have a serious and responsible Army that is carrying out its duty. All institutions are operating in accordance with what the law and the Constitution stipulate.

[Gomez] Do you anticipate the need to adopt special measures, considering that some protest marches have taken place either in support of the president or calling for his resignation?

[Bedoya] We are carrying out our duties as soldiers. I believe this is what Colombians must demand from all of us—our duties as soldiers and military officers.

[Gomez] Do you support the government?

[Bedoya] We have already referred to that issue.

[Unidentified reporter] General [words indistinct]

[Bedoya] There are certain individuals who are interested in disrupting public order. Now that there is a transportation strike, there are people interested in disrupting public order. The order has been given that any individual who decides to disrupt vehicular traffic will be denounced, because this act is one of terrorism.

[Gomez] [Words indistinct] the struggle against criminal activity?

[Bedoya] Between the president and [words indistinct], and we are doing it and accomplishing the best results Colombia has ever achieved. [end recoding]

Colombian General in Bucaramanga Requests Discharge

PA2701022796 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 27 Jan 96

[From the "Seven O'Clock Newscast"]

[FBIS Translated Excerpt] An important resignation in the military ranks took place today. General Ricardo Emilio Cifuentes, commander of the Army's 2d Division based in Bucaramanga, requested to be discharged from active service.

Cifuentes surprisingly resigned today. He is chief of the 2d Division based in Bucaramanga.

Apparently the reasons that led Gen. Hernandez [as heard] to make this drastic decision is related to the crisis in the country and the charges against President Ernesto Samper.

Gen. Hernandez is currently meeting with Defense Minister Juan Carlos Esguerra as well as with Gen. Camilo Zuniga, commander of the Armed Forces, who are trying to convince Gen. Hernandez not to resign, because he is quite valued in the military. In the next few hours, it has been announced that the text of his letter will be made known if he is not persuaded not to resign. [passage omitted]

Colombian General Explains Reason for Resignation

PA2701050296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0234 GMT 27 Jan 96

[News conference by General Ricardo Emilio Cifuentes Ordonez, commander of the 2d Army Division in Bucaramanga, with unidentified reporters; place and date not given — recorded]

[FBIS Translated Text] [Cifuentes] Well, my personal view, what my conscience tells me, my convictions and principles are simply that the president of the Republic does not deserve my support. This is why I have resigned from active service in the National Army.

[Reporter] Why? Why [words indistinct]?

[Cifuentes] Well, the country knows about it. I do not want to go into details. This is simply my decision and my reasons.

[Reporter] General, do you believe that President Samper is a dishonest man?

[Cifuentes] I do not want to criticize my superiors. He is currently the supreme commander of the Armed Forces and I am still wearing the uniform of general of the Republic. Thus, I cannot criticize my superiors.

[Reporter] Do you believe this was the only way to get away and not obey. For example, there are some people who do not have the strength to say: I do not agree with you, so I will take off my uniform and retire after 35 years in the service.

[Cifuentes] Yes. If a disciplined and subordinate officer, who at a given time does not agree with something, confronts an unsurmountable disagreement, and does not want to commit insubordination has to retire from the Army. The only way, I repeat, that he can express his disagreement is to retire from the Army.

[Reporter] [words indistinct]

[Cifuentes] I do not know. I have not consulted on my decision with anyone except my wife. Thus, I have not been able to explore what backing my decision will have within the forces.

[Reporter] [words indistinct] backing to the president or more to the institution or more to [words indistinct]?

[Cifuentes] The climate I perceive in the institution and that has been expressed to me by the chiefs, who comprise the command at this time, is of regret for my retirement from the institution and respect for the reasons and motives that led me to make such a decision.

[Reporter] What attitude do you think the Armed Forces should take in this situation?

[Cifuentes] Ricardo Emilio Cifuentes Ordonez is talking at this time, and I only want to talk about my decision and motives.

[Reporter] [words indistinct] that the president of the Republic does not merit support. Do you believe [words indistinct] that the Armed Forces do not [words indistinct]?

[Cifuentes] This has to be answered by the Armed Forces.

[Reporter] [words indistinct] a coup d'etat?

[Cifuentes] Absolutely not. For no reason.

[Reporter, interrupting] [words indistinct] that you feel there is a vacuum of power in the military institution?

[Cifuentes] [words indistinct]

[Reporter] However, at the meeting of commanders this morning [words indistinct] when you stated [words indistinct].

[Cifuentes] Well, no. I simply said goodbye to my comrades-in- arms. I thanked them for allowing me to have 35 very good years in the best institution. I just said goodbye.

Colombian General in Bogota To Resign

PA2701054496 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0230 GMT 27 Jan 96

[From the "QAP News" newscast]

[FBIS Translated Text] Attention. "QAP News" has just received the following information. Brigade General Euclides Sanchez Vargas, the current commander of the 13th brigade in Bogota, will withdraw from his post because he does not agree with President Samper and is backing Gen. Ricardo Emilio Cifuentes, the commander of the 2d Army division. The top military command is currently meeting; it is waiting for the general to reconsider his decision.

Colombian Defense Minister Not To Resign

PA2701022196 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2223 GMT 26 Jan 96

[Report by Carlos Gomez Herrera]

[FBIS Translated Text] Good afternoon. We are here at the Defense Ministry, and we can tell you that Defense Minister Juan Carlos Esguerra Portocarrero has initially stated the following: He said he will not resign from his post. He will remain on the job. Esguerra also said that General Ricardo Emilio Cifuentes Ordonez, commander of the 2d Army Division based in Bucaramanga, asked to be discharged from active service in a letter that has not yet reached the minister's office. Cifuentes said he is resigning for personal reasons, according to the information given to us by Dr. Juan Carlos Esguerra Portocarrero.

The defense minister also said that security measures have been reinforced for Attorney Antonio Jose Cancino, because a terrorist plot against him has been uncovered. He denied that Cancino was in a military garrison. He said that for security reasons, he will be unable to disclose the whereabouts of Mr. Cancino.

Esguerra pointed out that the public order situation is under control, especially in the areas where protests are being staged by truckers.

Let us listen to Defense Minister Juan Carlos Esguerra Portocarrero said when he announced he would not resign.

[Begin recording] [Esguerra] Those rumors are not true. I have not resigned from the Defense Ministry. I understand my obligations especially in circumstances such as these. As military people say, I remain at the foot of the cannon. I am here making sure that the country's institutions are respected. I am working with the military forces and the National Police. We are living with full guarantees and enjoying the full exercise of our rights as Colombians regardless of whom we believe in or what our proposals are. We have an obligation to all Colombians and to the tranquility of all Colombians as well as to public order.

[Unidentified reporter] What happened with General Cifuentes. Why did you not talk about him?

[Esguerra] I forgot about the second question. As for General Cifuentes, I can tell you this. I understand — I say understand because I have not yet read his letter — that Cifuentes sent a letter through Army Commander General Harold Bedoya saying that he wanted to be discharged from active service. I also understand that the reasons he gave were personal reasons. I do not specifically know what personal reasons led to that decision. I hope to speak with Generals Bedoya and Hernando Camilo Zuniga in the next few hours and eventually with General Cifuentes himself. [end recording]

That was Defense Minister Juan Carlos Esguerra Portocarrero. He also added that he is not aware of other resignations from high- level military positions. He said everyone is free to do as he pleases, but he does not know of any other resignations other than the one requested by General Ricardo Cifuentes. By the way, Cifuentes is currently meeting with General Hernando Camilo Zuniga Chaparro. We tried to interview Cifuentes, but he gave us no statements.

Defense Minister Juan Carlos Esguerra Portocarrero also said there is no division whatsoever within the Colombian military forces.

Colombian Defense Minister Views General's Resignation

PA2701192896 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 27 Jan 96

[From the "Cripton Newscast"]

[FBIS Translated Text] To learn about the situation in the Armed Forces after the resignation of Major General Ricardo Emilio Cifuentes, we have established contact via microwave with reporter Jennifer Zamudio, who is at the residence of Defense Minister Juan Carlos Esguerra.

[Begin live relay] [Zamudio] Mr. Minister, can Cifuentes' resignation be regarded as a deliberating position regarding the country's political crisis?

[Esguerra] Not at all. I do not see his resignation as a political decision but, rather, as a purely personal one.

[Zamudio] Several generals have met. Will there be any more resignations?

[Esguerra] No additional resignations have been received so far; in addition, we have no report of any others in the immediate future.

[Zamudio] Will you resign if there is a referendum?

[Esguerra] I have said I disagree with the idea of a referendum being held simultaneously with the reopening of a trial. I have already said I disagree with this formula.

[Zamudio] Does the military support President Samper?

[Esguerra] The military supports institutional stability; it has said so very clearly and is fulfilling its duty to preserve constitutional order. [end live relay]

Colombian Army Commander Denies Rumors of Possible Coup

PA2801025796 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 28 Jan 96

[From the "AM/PM Newscast"]

[FBIS Translated Text] Military leaders assured today that no more generals plan to resign, insisting that last night's meeting was entirely routine. The military forces, through Army Commander General Harold Bedoya Pizarro, today denied rumors of a possible military coup, saying that such assertions seek only to create chaos and serve as yet more lies in the realm of lies:

[Begin Bedoya Pizarro recording] Look, these are the usual lies. It is an attempt to create chaos in the country by telling lies about the Army. The Army is a serious and responsible institution which knows its obligations and which will not fail the institutions or the people. [end recording]

Gen. Bedoya Pizarro said that General Ricardo Emilio Cifuentes, commander of the 2d Army Division, decided to resign for personal reasons and that his resignation is respected. The Army commander stated this at the reactivation of the Miguel Antonio Caro Battalion.

Colombian Interior Minister Interviewed on Crisis

PA2801214696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1615 GMT 28 Jan 96

["Personality of the Week": Interview with Interior Minister Horacio Serpa Uribe by program host Guillermo Rodriguez Munoz and correspondents in Santa Fe de Bogota; date not given — live or recorded]

[FBIS Translated Text] [Rodriguez] Colombia clearly is a unique country:

— we went from the 19th Century to the 20th Century, leaving behind the War of 1,000 Days;

— Panama withdrew in 1903;

— the banana companies withdrew in 1928;

— Gaitan was assassinated on a Santa Fe de Bogota street in 1948;

— the General Rojas Pinilla regime and partisan violence developed;

— and (Mata) staged his assault.

Colombia clearly is a unique country.

Lawyer Horacio Serpa Uribe, a loyal man of strong convictions and a dedicated Liberal Party member, has had to accept the challenge of defending an administration that, in the last few days — as all Colombians know — has been attacked from various sides. We have had crossfire from various areas. It seems that, as in the times of the heroic Cartagena de Indias, foreign privateers and pirates are attempting to penetrate the [word indistinct].

How is the country faring? Mr. Minister, good morning and thank you for naturally being the personality of the most sensitive week in postwar Colombia's history.

[Serpa] Thank you very much for this wonderful opportunity. There is no doubt that the situation is complicated. We do not deny that there is a crisis and that all of us certainly must try and overcome it. However, the country is proposing significant alternatives, which the public has already started discussing. We hope to have all controversial issues calmly discussed; we hope that the situation will be resolved through legal and institutional norms and that, in the end, we will be able to achieve results that will benefit all Colombians.

[Correspondent] Mr. Minister, undoubtedly one of the most significant events of the current week has to do with the Conservative Party's position. The Conservative Party's withdrawal from President Ernesto Samper's administration aggravated the crisis that the government faces. Do all these withdrawals weaken the government?

[Serpa] Of course, this caused a major uproar, to say the least. There was an impact. However, it did not surprise us. First, ever since the Conservative Party accepted to be part of the government, we knew — there are many opinions on this — that this party was going to withdraw sometime during the Samper administration. This party is taking steps to achieve power. This party must become an alternative, and such an alternative must be forged from outside the government.

Second, the Conservative Party has been, let us say, reluctant since the last ministerial reshuffle. It demonstrated through its attitude that it did not have the sense of solidarity that is needed at times like this to be frankly and firmly part of the government.

Third, at the Council of Ministers meeting the president held as a result of the statements that Dr. Fernando Botero made, the president himself, in light of the events that loomed on the horizon, calmly told the ministers that they were free to leave, that they should not be ashamed. He said: Speak to me frankly, I do not want to be...[pauses] tell me something. In case of an event of this nature, the government will not take any unpleasant attitude. We simply want to be clear, which is what we have been in the last few days. The important thing is the government... [pauses] the important thing is that there be no power vacuums. There will not be any. People started withdrawing. That is typical of all democracies and all governments in all countries. Others who are equally competent, enthusiastic, and determined to continue with government work will replace them.

[Correspondent] Mr. Minister, the Samper administration clearly has been under attack from the beginning. You were at the Convention Center celebrating Samper's victory the night that it happened. Dr. Andres Pastrana delivered a bitter speech at the Tequendama Hotel at about 2200. Rumors of drug trafficking money being involved were getting started. Since 1994, none of these events that the country today sees as what seems to be the end has taken you, the entire Samper administration, by surprise.

[Serpa] Yes, we have not had any room for respite. Evidently, since election day, we — the administration, the president himself — have been permanently and constantly harassed. This has undoubtedly been a phase that is very difficult to overcome. However, no one can argue that we stopped governing in light of this.

President Samper has been on top of Colombian issues since 7 August 1994, solving the very complex problems facing this country. He has put his best foot forward for the sake of this country. The results have been good; they were evaluated in December 1995, less than a month ago.

The country's economy grew by 5.5 percent, as never before. Inflation was reduced to under 20 percent, as had not been the case in the past 14 years. We have fought unemployment. Last year there was a lot of foreign investment, as had not been the case in past years in Colombia. In other words, the situation is improving.

This year will be the year of social investment. There will be many achievements this year. We will be able to realize many of the most encouraging programs that Colombian society has ever seen. Thus, despite all the unpleasantness, difficulties, and problems facing us, there have always been important and clear government efforts in favor of the community. In the end, this is what we should focus on.

[Correspondent] I want you to look back. How was a campaign day during the run-off elections, when you were seeking a win for Dr. Ernesto Samper, a win that you indeed achieved? I ask you this because former Minister Fernando Botero's explosive and well-known statements made certain claims. You, for example, Dr. Horacio Serpa, I imagine, handled political issues and never had to do with small and large amounts of money?

[Serpa] I devoted my time to visiting the regions, talking to the people, delivering speeches, solving political problems, building consensus, and above all — and this is something I did intensively during those three weeks — making a very categorical call on Liberals to go out and vote and not abandon the party. We had won the first round by only 20,000 votes, and everything indicated that we needed a major effort. I do not recall how many trips I made in those 15 or 20 days, but there were many and I made them with great enthusiam. We grew (?tired) but won anyway.

[Correspondent] Mr. Minister, was the government prepared to face the situation that developed out of the famous narcocassettes? If it was, why has the crisis been so serious?

[Serpa] I think that I learned about the so-called narcocassettes about two days prior to the elections. Of course, it came as a huge and tremendous surprise. We have not yet recovered from it. Since then we have faced a major problem; I repeat, a very complex situation. We are, however, overcoming it; I think this is a solvable crisis.

We have to know what solution Colombians want: An institutional solution within the framework of the law? Or a solution outside the channels that are characteristic of a democracy? I think that the former is the answer. We have judges to investigate, accuse, try, and solve. We have the Prosecutor General's Office, the Supreme Court of Justice, and the Accusations Commission. I think that this is the institutional solution, judicially speaking.

There are, however, some political problems, because there are some who question the social development model. There are some who resort to a sophism to argue that the current government is to blame for evils afflicting the Colombian people. This is absolutely false. This is completely invalid.

Thus, we must solve the political problem. To do this, we proposed a consultation [consulta], a consultation among the citizens. We want them to say whether they are pleased with the administration of Dr. Ernesto Samper Pizano. I think this would be a very important solution.

[Correspondent] Mr. Minister, would the national government be willing to negotiate the withdrawal of President Samper, in keeping with the results of the consultation?

[Serpa] There is no need to negotiate; we should just have a consultation. It would be magnificent if the result favored the government, because we would continue to govern with more tranquility. If it turned out to be unfavorable, it would also be fine, because the people have the last word in a democracy, and that would be the end of this. If it is unfavorable, the government would not continue with its current leaders.

[Correspondent] Is this independent from the judicial rulings?

[Serpa] Yes, this is absolutely different. If there is a favorable reply to the consultation followed by an unfavorable rulings by the judges, we would have to comply with the judges' ruling.

[Correspondent] Will the government, nevertheless, abide by the judges' ruling?

[Serpa] Yes, of course. That is basic.

[Correspondent] If the government is willing to abide by the judges' rulings, what is the consultation for?

[Serpa] We need a consultation because there is a political problem. There are very curious persons here. They say: Let us find an institutional solution. That solution involves the judges. We should wait for the judges' ruling then, but no, these persons say: Let us not wait, the president must resign. We wonder: Why must he resign? In view of this situation, we propose a consultation, because it seems that this is a very important and healthy solution that gains greater support as things become clearer.

In the beginning, those who oppose the consultation claimed that it seeks to obstruct the judges' work. That is untrue. We will always respect the rulings of the judicial branch official. I repeat, we have the Prosecutor General's Office, judges in general, the Supreme Court of Justice, as well as the Congress of the republic when its assumes jurisdictional duties. The government, which has great respect for the judges, will abide by their decisions even when they turn out to be unfavorable. Now, if they turn out to be favorable to the government, all others must also abide by such rulings as well.

[Correspondent] Congress will meet in special session on 31 January. The Accusations Commission supposedly starts the legal proceedings, while Congress takes up the role of political regulator.

[Serpa] Yes, I think there will be special sessions. Congress will then assume its duties pertaining to legal matters and political control. I am certain that Congress will carry out extended debates with all the necessary incidences to solve the political issue. It will be very important and capture people's attention.

[Correspondent] Mr. Minister, I suppose you have assessed the matter of the consultation and the opinions of former President Alfonso Lopez Michelsen and Deputy Minister Jaime Castro — who propose a referendum instead — and those who claim a referendum could divide us and spark civil war. Since the government has already conducted studies, how would you answer people who think that way?

[Serpa] We are examining the details and proposals, which we feel are very respectable. In the first place, the government wishes to avoid serious confrontations between Colombians. We would like, as the president himself said, to seek a way to do it without deepening or inflicting new wounds. Rather, we would like to prevent and heal wounds. Second, some concerns have been expressed over the costs. We feel those concerns are unwarranted. Of course, any election carries a cost, and hopefully it will be the least possible cost. We would like for the expenditures to be minimal, but it will affect the budget somewhat. However, the referendum is a democratic instrument that requires some activity by the electoral organization and money. But a plebiscite, a referendum, an impeachment, and elections that are held every three or four years will also carry a cost. Therefore, the arguments about the costs have no weight.

[Correspondent] Is the referendum prepared, Mr. Minister? Has it or is it yet to be proposed?

[Serpa] No, it has yet to be proposed. We are still studying it. But it depends, without a doubt, on certain circumstances, to know, by way of the response, if citizens agree or not with the president's performance.

[Correspondent] Is the president's marriage with the vice president still indissoluble for the consultation issue, even though Vice President Humberto de la Calle Lombana does not like that mechanism?

[Serpa] We still do not know what the question will be. You talk about a phrase spoken by the president. That phrase is very coherent because Dr. Samper and Dr. Humberto de la Calle were elected the same day with the same procedures and on the same ticket. In short, that is what he meant when he spoke in such a sensible way but we still do not know how the consultation will be carried out. We will have to wait a few days so that those who are helping clarify the situation can offer a solution.

[Correspondent] Don't you believe that because the presidential formula specifically involves the vice president, the vice president's issue should be included?

[Serpa] Of course, I believe that is logical.

[Correspondent] Minister Serpa, evidently Dr. Andres Pastrana has said that the vice president should assume the position. There is some insistence that the vice president assume office. Haven't you observed that? Don't you see it that way?

[Serpa] Yes, however, one must observe that the Conservative board of directors, Dr. Favio Valencia Cossio, and many others have said no that that cannot be explained. This is an interesting controversy which must be resolved quickly.

[Correspondent] Since the time of the [word indistinct] it is clear that the figure of a vice president is not good for Colombia, is it?

[Serpa] Yes, I defended the importance of the office of vice president in the national constituent assembly. I proposed that the office of vice president be created, and there followed a heated debate in the assembly. I believe those who were in favor of the vice presidency won by one vote. It is a position which has been very effective in many countries throughout the world. I continue to support the office of vice president .

[Correspondent] Mr. Minister, people are asking themselves why Vice President Humberto De La Calle Lombana has been silent for such a long time since the debate on the alleged infiltration of drug money into the Samper campaign began. It is as if he wanted to say: It is not my problem. People are asking themselves why the vice president has not come out in support of the president by saying this is a legitimate, democratic government [words indistinct] Mr. Minister.

[Serpa] [Word indistinct] each one of us interprets his own [word indistinct] and I cannot answer that question. The vice president would have to answer that, not I.

[Correspondent] Mr. Minister, evidently the country is apprehensive regarding everything that is happening. The way the administration is governing seems absurd [tontologia].

[Serpa] Yes, of course, the administration is governing with very good results. Again I would mention the 1995 results. The claim that the president has to be removed because investments have dropped and the country cannot stand much more, it appears that those words do not correspond to reality. That is a lie. According to CEPAL [Economic Commission for Latin America] reports, Colombia was the number two country, or one of the two countries, along with Chile, that showed the most solid economy in Latin America. Of more than 20 countries, Colombia and Chile were the best ranked. Where, then, are the disastrous effects of the crisis that so many claim? Are they anywhere to be seen? One also takes the opposite side, and since the opposition is not here, I shall be its spokesman. One hears these opinions. There are those who say: No, the president should resign because it would be the best historical contribution that Samper could make so as not to weaken the nation. That is the government minister's reply.

[Correspondent] You mean the interior minister.

[Serpa] That is a position well tailored to those who propose it. I repeat: Up to now there has not been a so-called total collapse [despiporro]. The economy is solid, the country is moving forward, foreigners are investing in Colombia, Colombians yearning for progress are finding an answer to their concerns in the social pact that [words indistinct] this country. So that [words indistinct] there is no power vacuum, problems are being solved, and the future holds great possibilities. Why [word indistinct] the only solution which some people see at this moment is Samper's resignation. For example, why don't they like the consultation? Why don't they wait for the judges' verdict. We have to be consistent in our assessments. A position which states that there is no way out but resignation is not true.

[Correspondent] By the way, one minister is [word indistinct] because [words indistinct] many mishaps, correct? We do not find [words indistinct] Conservative Party following Dr. Pastrana's line or an (Aspiristas) line or a (Laurenist) line, who elected his son, who is unfortunately no longer with us. One would then say that in that case it is the Conservatives who have left. Doesn't the Samper administration want to be an administration of various parties, unless it is forced to do so?

[Serpa] Of course, in the beginning a coalition government was agreed upon. We invited...

[Correspondent, interrupting] [Word indistinct] the circumstances. If there are Conservatives who want to, they will be called; if not...

[Serpa] Yes, I have heard that not all conservatives are pleased with that news. The administration will always have room for a different political sector than the Liberal Party. There is the Alliance for Colombia, and it's good that a sector of the Conservative Party continues. Social organizations are working with the administration. This is an administration that does not want to assume a sectarian or exclusive attitude with regard to other political parties in Colombia.

[Correspondent] As a veteran legislator, you would remember the so-called discrimination [lentejismo] that was practiced in the '60s. This involved removing from office any legislator who belonged to a political party that did not agree with the government. This was the well-known discrimination [lenteja] that Gaviria spoke about. Does this government intend to implement this practice?

[Serpa] No, this government does not practice discrimination [lentejismo]. However, the government does interpret the political reality surrounding it. If anyone in the Conservative Party wishes to continue to be part of this government, I do not see why this could not happen.

[Correspondent] Dr. Horacio Serpa, you are a learned and an educated man in the fields of...[pause] You are a man from the countryside who has achieved his life's dream of becoming a lawyer and a ranking government official. You also have perfect Spanish. Was it a good idea to refer to conspirators? They have defended themselves and, in fact, have made accusations. Former Minister Rudolf Hommes has said: I am not a conspirator. Actually, why was this well known document on the 1996 strategy described as such?

[Serpa] I have spoken about political propaganda [manguada] rather than a plot. I have spoken about sophistry. I have said that they are sophists because they used a sophism, which is a lie disguised as truth. The contents of this document appear to be an accusation against the current government in the sense that the country's ailments are a consequence of President Ernesto Samper Pizano's taking office. This is the greatest lie ever. Colombia has been a haven for guerrillas and drug traffickers for a long time. The only difference is that drug leaders were free and now they are in prison. Colombia has had paramilitary movements for a long time. There is ongoing and impairing poverty: 17 million Colombians live in abject poverty. Therefore, this document greatly contributed to antigovernment political propaganda.

[Correspondent] Mr. Minister, how do you feel as a politician and a statesman? Are you upset with former President Cesar Gaviria and the position he is taking? Do you see it clearly? Do you think that he is expressing an important opinion that is incoherent or unclear to this country?

[Serpa] No, I greatly respect and admire former President Gaviria. However, many of his government's close associates are upset with this government and do not relate their political position or interests to the social development model followed by President Samper's government. Consequently, they are constantly attacking, making statements against, and criticizing this government. They add to the government's troubles.

[Correspondent] Mr. Minister, regarding the pro-Gaviria bloc, in an EL ESPECTADOR editorial published on 26 January — that is, three days ago — former Minister Edgar Gutierrez Castro said that certain individuals — whom Gutierrez Castro called aspiring candidates — at the OAS are waging a campaign to discourage any loyalty to President Samper's government. When they had their own opportunity, these individuals did not carry out their current proposals. What do you think of Gutierrez Castro's statements?

[Serpa] There are those who do not work who do not let others work either. These individuals are nostalgic and yearn to rule. It is our turn now, those who follow social liberalism and believe in giving better opportunities to the underprivileged sectors. We believe in controlling public expenditures so as to alleviate the burden of the

Colombian middle class and to provide housing and education. This gives us the opportunity to revitalize the Colombian countryside, which has been left practically bankrupt and forsaken. Other individuals do not like these ideas. Nevertheless, they have already had their chance. It is our turn now.

[Correspondent] Do you think that as a result of all that has happened to deepen President Samper's crisis that the Gaviria plot — as someone referred to it — has been finally uncovered?

[Serpa] Well...[pauses to laugh] Well, yes, there are many people involved in these affairs who use sophistry. I reiterate this because it is very important. This government is striving to overcome the difficulties of long ago.

[Correspondent] The popular saying goes: They will not kick me out [a mi no me van a sacar a gorrazos]. Will the government allow anyone to kick it out?

[Serpa] No, the government will not allow it. The government is working for the country. The government knows that problems must be solved. There are legal proceedings. The government respects judges and will abide by their rulings. In the meantime, however, the government will continue ruling. Since the problem is also of a political nature, we will resort to a public consultation. We will ask the people what they want. If they want President Samper to remain in office, wonderful! He will then continue ruling. If this result is unfavorable, we will then leave government.

[Correspondent] What about the opinions of others, like the assistant comptroller, who believes that the country is paralyzed and that officials do not want to make decisions? What about this?

[Serpa] Anyone expressing those opinions has an ulterior motive, right? Each opinion carries a charge that must be investigated...

[Correspondent, interrupting] An ideological charge, right?

[Serpa, chuckling] Yes, sir! We must see whose opinion it is to know where his interests lie.

[Correspondent] Mr. Minister, referring to these events, would the government demand a much more clear, specific, definite position from the Liberal Party? The Liberal Party's national directorate is taking too long to state its position on this issue.

[Serpa] No, the central political committee has already voiced its opinion. It was unanimous: Its support was extraordinarily good and important in favor of President Samper's government. The same has been done by dozens of Liberal Party congressmen, councilmen, deputies. In sum, the support has been great. The Liberal Party's directorate has been studying the case, even though its president is not here. The directorate's president has been abroad. I believe a statement will be issued on 29 January. I have no doubt that it will favor President Samper and his government.

[Correspondent] A statement will be issued by the Liberal Party's directorate on 29 January?

[Serpa] Yes, yes. The statement will be issued on 29 January.

[Correspondent] Mr. Minister, President Samper's government felt betrayed and uncomfortable with what many describe as an opportunistic attitude by the Conservative Party, given its withdrawal.

[Serpa] We expected it. That could have happened this month or in four months or early next year. The Conservative Party had to tactically withdraw from the government and offer itself to the public as an alternative for 1998. That is why we were not shaken, let us say, by a surprise situation.

This does not bother us; it is a political situation. Political groups and leaders withdraw from the government everywhere and it is part of an exercise in politics. This is not the first time it has happened in Colombia nor will it be the last.

[Correspondent] Mr. Minister, I know that you are a sensitive person. I remember seeing you here with Fernando Botero. I suppose what really hurt was his attitude and the famous statement that caused an uproar last week. I suppose that must have really hurt and surprised you.

[Serpa] Yes, it surprised me. Imagine, I was in Quibdo and I received the news that Dr. Botero would give some statements. I waited for them and I was surprised. I was shaken by his statement. I was quite saddened and was deeply hurt that it happened. I certainly was.

[Correspondent] Mr. Minister, he said that he began to smell something fishy. I think about Horacio Serpa, a close friend of candidate Samper who emerged triumphant to become President-elect Samper. Did you smell something fishy during the campaign? Or was it only Dr. Botero?

[Serpa] No, I did not. I did not see a thing. I believe that what Dr. Ernesto Samper said is the truth. I know he has spoken the truth. I am absolutely sure that Dr. Samper is not involved in any inappropriate, irregular, or illegal dealings.

[Correspondent] Mr. Minister, I realize that this is an old issue, but we should hear from an honest minister like yourself on whether dirty money was used in the campaign. We do not know if the same applies to Dr. Pastrana's campaign. That is another issue. It would be another issue if this was done with the candidate's and everyone else's knowledge. That would be another issue. Was that money snuck in? Or are you not aware of this?

[Serpa] I am not aware of this. The authorities are investigating this. The only truth is that if it is proved that this was the case, President Samper was not involved in any incorrect, illegal, or criminal action.

[Correspondent] What about the famous meetings with the monks in Madrid and the famous story that Alberto Giraldo — who is now under arrest — took them one evening to a house where there were some boxes with money?

[Serpa, chuckling] No, that is part of the fable. I am not sure that it happened; I believe that it did not happen.

[Correspondent] Mr. Minister, do you not feel that this topic somehow...[pauses] You may recall that there was talk that dirty money had been used in the campaigns — not only now but 20 years ago — and that President Samper somehow became the scapegoat because Colombians failed to give the president the benefit of the doubt. We all live with that money and those people; we thought they were likable; we thought they were very nice people who spent a lot of money.

[Serpa] Yes, President Samper is being charged 101 percent of something he does not owe.

[Correspondent] Yes, you say that he does not and that he did not. In other words, President Samper is paying a debt that he has not incurred.

[Serpa] That is a good expression. Yes, the country apparently was not paying a whole lot of attention to the new capital and the new rich for many years. Large apartments, luxury cars, and jewelry were being sold. We are all paying dearly for this in Colombia because it certainly involved the infiltration of objectionable money, illegally acquired money, or dirty money — however you want to call it — from drug trafficking in many of our national activities, but the president of the republic is evidently paying the most for this. I believe this is quite unfair because he is, as he has always been, an extremely honest and honorable person.

[Correspondent] As they say in soccer, there was fair play. There was really fair play in the campaign, in the two campaigns, I mean. The Liberal Party's campaign won because its electoral offer was obviously better.

[Serpa] Of course. Its social offer was better and its candidate was better. There is no doubt about that.

[Correspondent] Then all the stories you have mentioned — you talk about fables — are nothing but the results of this process?

[Serpa] I hope they are the final results. Things cannot get any worse. I am confident that we will come out well ahead in the end. That is why I use every chance I get to tell Colombians that we must rally around the president, that we must believe the president, that he has the right to be trusted, that he is an honest person, an honorable person. I issue an appeal to the Liberal Party: Let us close ranks around President Ernesto Samper and his government becuase it is an honest government, a good government, a constructive government. I tell those of the Alliance for Colombia, the many conservatives who still believe in this government, and the civilian society that we must support Ernesto Samper's political and social plan because it strives to balance the situation, impose criteria of equity in Colombia, and favor the poor. Let us defend this and let us not waste this opportunity because it has seldom occurred in Colombia's political history.

[Correspondent] In other words, the government does not feel — to use a boxing term — that it is on the ropes?

[Serpa] No, the government is fighting in the center of the ring.

[Correspondent] Mr. Minister, I beg you to reflect [words indistinct] two paragraphs. The president should remain calm in facing the possibility that he may fall, yet both he and his closest friends seem determined to drag the vice president down with them. This is disheartening to those of us who believe in the president's good faith. The way things are going, we will not need a plebiscite to enter a civil war. Nobel Laureate Gabriel Garcia Marquez told the media this himself. What is your interpretation of this statement?

[Serpa] We love and admire him so much that, frankly, I do not want to become involved in any controversy with Maestro Garcia Marquez. I simply want to say that we remain calm. We repeat our statements because we believe in the government, because we believe in Dr. Ernesto Samper's honor, because we believe the country deserves to solve this problem. There are alternatives, we have outlined them, and we want to sponsor them. That is why we defend them so staunchly and so vehemently. I repeat: We want to remain calm and approach it in a constructive manner, always seeking ways to prevent the country from becoming involved in major conflict. Any conflicts should be settled peacefully.

[Correspondent] Mr. Minister, what can we tell the skeptics who still say: Good grief, why does Samper not leave? What a nuisance! How could these guys get us involved in this?

We see Samper's figure and one recalls Miguel Samper and his book "Poverty in Bogota," which dates back a century. We see his ancestors were persons who founded enterprises, including Santa Fe de Bogota's electric energy company. We see his brother, who is a distinguished journalist. We see his father — we still remember his beautiful notes in EL TIEMPO — and his dear mother, a lovable person.

What can we tell skeptics who may think that Samper does not deserve to sit in the Colombian president's chair?

[Serpa] Look, a person with those ancestors, with such honest and honorable forefathers, could never become involved in the things that are attributed to Dr. Ernesto Samper. I have always said that Dr. Ernesto Samper is a very honest man. He is a man of the greatest importance; he is a true statesman. In fact, he earned the right to be in the presidency of the republic because he struggled hard, he struggled with the people, he sought his fellow citizens' support and he got it. Once he was sworn in, he exercised the presidency with care, diligence, and efficiency. That must be recognized. That is why we must tell the skeptics: Look, this is a man of great lineage, intelligence, and moral stature who is working very hard for Colombia and he should have your support, skeptical friend, to keep on serving the country.

[Correspondent] Mr. Minister, allow me to bring back the issue of a consultation. This week we spoke with National Constituent Assembly member Antonio Navarro Wolff, who shared a chair with you at the National Constituent Assembly. He said he agrees with holding a consultation but he proposes a series of guarantees and conditions, for example the creation of an honor court which includes former Treasury Overseer Jorge Garcia Hurtado. What is your opinion about Mr. Navarro's proposal?

[Serpa] Look, I understand he talks about a committee or court that will supervise the consultation. I believe this is a good idea. I would not dare give names, much less now, but if it is a very special commission which offers reliability to the consultation then I believe it is an extraordinary and important idea. This way the results will be clear and they will be respected, among other things.

[Correspondent] We have a few minutes left so we could talk with the minister about other extremely important issues, like the one about peace. You recently met with the so-called paramilitary groups. What was the outcome and how is the process coming along, Mr. Minister?

[Serpa] There is still no process. We are in what you could call the preliminary phase of a mediation to find more ways in which the Colombians can coexist. I talked with a group that represents the staff of the Peasant Self-Defense Groups in Uraba and Cordoba.

[Correspondent] Did you feel that they really want peace?

[Serpa] Yes, and those persons are led by Carlos Castano. We talked for about four hours. I came out of the meeting satisfied. I believe they do want to start reorganizing things. They clearly realize that the best thing that can happen to this country is for the state to control the monopoly on power and weapons. This is a good start to finding a solution for this beautiful and important country to the atrocious and ongoing conflict from which Colombians suffer.

[Correspondent] I suppose that many topics can be discussed in such a lengthy meeting — four hours. You will later try to prepare a memorandum and establish some limits. I suppose this involves another component, meaning the guerrilla groups, and they would have something to say about this.

[Serpa] Yes, they asked many questions, if there would be a peace process with the guerrilla groups. We said the ideal thing would be to have simultaneous procedures. The situation exists. We told them that the measures adopted by the government to allow this kind of thing had unfortunately failed to achieve results but we had not lost hope that this could happen, that this could be achieved in the future. Nevertheless, we said, a solution must be sought. I used a phrase: We must find the way to do this. I believe it was healthy and I believe we should seek a consensus on all the issues where the state's presence is necessary so our people do not have to suffer.

[Correspondent] Mr. Minister, the way things are right now regarding peace, do you think the paramilitary groups are more inclined, more willing to participate in a dialogue than the guerrilla groups?

[Serpa] We found that the Peasant Self-Defense Group we spoke with is quite willing. There are many self-defense groups with which we have had no communication, of course, but I still favor a reconciliation with the guerrilla groups. I believe we must insist on this. I believe political solutions must be sought tenaciously and the government wants to do this. President Samper is a good interlocutor for all those who want to seek, with goodwill and harmony, the ways to achieve harmony in Colombia.

[Correspondent] Are you waiting for a gesture, a small sign from them, as it was said in the old days?

[Serpa] No, this must be sought out. We must struggle for peace and we are struggling to achieve peace.

[Correspondent] Mr. Minister, do you agree with approaching them simultaneously?

[Serpa] It would be interesting if we could do it, of course.

[Correspondent] Is the government willing to do this?

[Serpa] The government is willing to do this. The government is determined to achieve peace for Colombia. We still have 2 and 1/2 years in this government to consolidate peace efforts.

[Correspondent] I believe Caracol's morning message will be good for the people in the mountains. If the minister wants to use Caracol's microphones once again, it will be a pleasure.

[Serpa] Yes, of course. I want to say that our meeting with the self-defense groups does not represent an isolated action. It is an overall criterion of what should be a coexistence, a reconciliation among Colombians. That is why there is a proposal regarding the FARC [Revolutionary Armed Forces of Colombia], the Army of National Liberation, and the Popular Liberation Army. If the mechanism of a useful dialogue makes it viable to find solutions, we are willing to work along those lines.

[Correspondent] Step by step, above all with the paramilitary, no? You have mentioned the massacres and all these things.

[Serpa] Yes, this has been very unpleasant and costly for the nation's interests. We want to reach an understanding without having to sacrifice Colombia's interests or national dignity.

[Correspondent] Returning to our main issue: Would you be willing to stake your life on Ernesto Samper Pizano?

[Serpa] My life and my soul.

[Correspondent] This was Horacio Serpa Uribe, Barranquilla lawyer, interior minister, who has frankly stated his views on national events.

Colombia's VP Requests Exclusion From Referendum

PA2701052596 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0230 GMT 27 Jan 96

[From the "QAP News" newscast]

[FBIS Translated Text] Vice President [VP] Humberto De la Calle does not want his name to be included in the referendum. Interior Minister Horacio Serpa stated to the RCN Network today that Vice President Humberto De la Calle had asked him not to include his name in the referendum being promoted by the government.

[Begin recording] [Unidentified reporter] Colombians are puzzled, especially after the president's interview with Maria Isabel Rueda last night. Minister, why is the government interested in disqualifying its own vice president?

[Serpa] That is not the case at all. The president only answered the questions posed by Maria Isabel and, among the many interesting things he explained, was reference to something that was being commented on in all the social and political circles, on the television and radio, and everywhere in Colombia. You have to be sincere and frank to broach all the topics. [end recording]

He admitted that De la Calle is continuing consultations and will take a stand in this respect in the coming days.

Colombian Ex-Trade Minister Views Resignation

PA2601152796 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1200 GMT 26 Jan 96

[Interview with Foreign Trade Minister Luis Alfredo Ramos by Carlos Alberto Chica at the network's studios in Santa Fe de Bogota; from the "Good Morning Colombia" newscast — live]

[FBIS Translated Text] [Chica] Our special guest today on the "Good Morning Colombia" newscast is Foreign Trade Minister Luis Alfredo Ramos. Good morning, Mr. Minister.

[Ramos] Good morning, Carlos Alberto.

[Chica] We invited you today, Mr. Minister, because what we were able to hear on the newscasts last night regarding your explanations about why you had decided to leave the government was very brief. All we were able to hear was that you mentioned a certain degree of discipline within a political party, but we know there is more than that, and it is for this reason why we would like to hear your explanation this morning.

[Ramos] Of course, Carlos Alberto. You are well aware of the situation that has been taking place in the country, particularly during the last week. Of course, I undertook a personal appraisal of all those issues, including the withdrawal of the support the people had been extending to the affiliated ministers. All that assessment convinced me of the need to resign.

[Chica] Are your arguments basically more ethical in nature?

[Ramos] No. I believe the important issue in this case is the need to keep the president free so he can have a cabinet that will be able to fully accompany him during this crisis. As far as I am concerned, it was impossible for me to continue doing that same task after all that has taken place, more so now that the Conservative Party has withdrawn support to its minister.

[Chica] When you say or when an individual uses the phrase It Was Impossible for Me, does that mean you looked at yourself in the mirror, consulted your conscience, your values and reflected?

[Ramos] We all have difficult times to confront, because it is not easy.... [pauses]. I wanted to serve the country, and I did it during a time in December when things were somewhat more clear, given the Accusation Committee had issued its decision....

[Chica,interrupting] Yes....

[Ramos, interrupting] With all of what developed afterward, it was virtually impossible for me to continue supporting President Samper.

Colombia's Agriculture, Health Ministers Support Samper

PA2701194896 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 27 Jan 96

[Report by Jose Luis Ramirez from the "Cripton Newscast"]

[FBIS Translated Text] Despite the resignation of six ambassadors and three ministers and the apparent collapse of the government of President Ernesto Samper Pizano, the head of state's advisers and followers continue to support him and to defend his innocence:

[Begin recording] [Agriculture Minister Cecilia Lopez] As pressure subsides and people start to understand, we believe they are recognizing what we already know; that is, this government is committed to the country. We have never stopped working; in fact, I believe we have never worked so hard.

[Health Minister Maria Forero de Saade] Together, all honest Colombians can do for the country what certain bad Colombians would prefer not to see happen.

[Former President Victor Mosquera Chaux] Drug trafficking money has been present in various political campaigns, in previous elections, in presidential elections. [end recording]

Meanwhile, the president believes this storm is the result of what he calls a social government that has annoyed many.

Colombian Ministers Reject Accusations by Ex-Treasurer

PA2801144496 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Jan 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Interior Minister Horacio Serpa Uribe and Foreign Minister Rodrigo Pardo Garcia-Pena have rejected the accusations made by Santiago Medina, former treasurer of the Liberal Party's past presidential campaign, who has involved them in the handling of drug trafficking money.

Pardo has said he feels Medina's evidence proves nothing. He is concerned that the international news media are being used to tarnish Colombia's international image. Serpa has said that if this is the case, then it is nothing more than a hoax. Serpa has said he was unaware of the economic handling of the campaign, because the individuals involved in the hoax would never inform one of their shady businesses.

Poll: Colombian Senators Divided on Referendum

PA2601202096 Santa Fe de Bogota EL TIEMPO in Spanish 26 Jan 96

[Received via Internet]

[FBIS Translated Text] A random poll taken among 26 senators shows that the debate on the referendum will be tough: 13 in favor, 13 against. The senators of the Republic have the last word and are the ones to decide whether a referendum will be held on President Ernesto Samper remaining in power.

Colombian Deputies: Botero 'Lied' to Chamber

PA2601185596 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 26 Jan 96

[Report by Victor Garcia; from the "Colombia 12:30" newscast]

[FBIS Translated Text] We have exclusive information on the statement by former Defense Minister Fernando

Botero to the Accusations Committee of the Chamber of Representatives.

Minister Botero Zea said then that drug-trafficking money never entered the campaign of President Samper.

This newscast has learned that Fernando Botero Zea lied to the Accusations Committee of the Chamber of Deputies. When he was asked there if President Samper knew about the presence of drug-trafficking money in his political campaign, he flatly denied it, thus contradicting himself concerning the statement he had made a few days before to the Prosecutor General's Office.

For this reason he could be charged with the crime of perjury, which is established in Article 172 of the Penal Code: Any person who under oath lies or remains partially or totally silent in response to legal or administrative proceedings when confronted by suitable authorities will face a prison sentence of from one to five years.

[Begin recording] [Jose Manuel Delgado, secretary general of the Assucations Committee] The Prosecutor General's Office will eventually have to confront statements that he rendered under oath to the committee's secretary general.

[Rodrigo Arcila Idarraga, member of the Accusations Committee] In view of a new situation, of a different statement by Dr. Fernando Botero, who has now said something different from what he had said before, the Accusations Committee will have to reopen the investigations. [end recording]

The Prosecutor General's Office now has the obligation to request from Heyne Mogollon Montoya, the investigators' representative, a copy of the statement by former Minister Botero and confront it with that in the hands of the prosecutor to determine who is lying to the country, since so far the only person involved in contradictions is Fernando Botero.

U.S. Said To Grant Colombia's Botero Study Consent

PA2701210896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 24 Jan 96

[FBIS Translated Excerpt] The story on why former Defense Minister Fernando Botero decided to cooperate with the Prosecutor General's Office began on 30 December.

That day the director of EL TIEMPO'S Sunday edition, who is also the author of the "Counterescape" column, Enrique Santos Calderon, had lunch with Fernando Botero at the Cavalry Academy, where Botero is being held.

With his keen journalist eyes, Santos noticed that Botero is enduring a personal drama and that he had many things to say. He also learned that Botero had just finished writing a book he had began the moment he was arrested. This book has an editor already. A week ago, a representative of a U.S. editorial house came to Colombia and acquired editing rights and took the manuscript, or the work Botero had in his computer, which he also has in his house at the Calvalry Academy.

In that book Botero gives details on the charges he filed in a written statement and in his interview with the "CM&" newscast and with Univision.

Santos arrived there with a purpose in mind. He has not been unbiased in this matter. His commentaries and his editorial position in the newspaper and statements he has made show an inclination toward toppling the president. He is probably one of the journalists being accused of wishing to feed on a president. Hernando Santos himself has said this. [passage omitted]

It was made clear during that lunch that Botero wanted to speak up. Some persons, the names of some of which we have, began to work behind the scene to facilitate a contact between Botero and the Prosecutor's Office, with Botero, of course, moving closer to the U.S. Embassy in Bogota.

Botero felt remorse, confusion. What to do? Should he be disloyal to the president? He reasoned: Should I be loyal to the president and be indefinitely sunk? He wondered: Should he wait for the Prosecutor's Office to adopt a decision? When would it decide? What would happen to him, to his family, to his parents, his children?

It was in the midst of this incertitude that friends began visiting Botero. Botero then put all his cards on the table. Saturday Fernando Botero telephoned President Ernesto Samper and told him: President, tomorrow EL TIEMPO will publish an interview with presidential candidate Juan Manuel Santos and there he will ask me to speak up, to tell the whole truth, and he will say that if I speak up my fate could be different. Botero also told the president that on Sunday afternoon a document, Agenda 96, signed by close associates of former President Cesar Gaviria, would be made known.

Knowing the significance of the statement by presidential candidate Santos, the newspaper gave paramount weight to the report: the front page and a full inside page. There, Juan Manuel Santos asks Botero to speak up and notes that if he does, things can change for him, sort of anticipating, by a few hours, what appeared likely to come, what would come, since Botero had probably told Juan Manuel Santos that he was prepared to speak up.

That Saturday the president had planned to have lunch with Fernando Botero in the Cavalry Academy. He was going to be accompanied by Minister Serpa, Foreign Minister Pardo, and other prominent persons whose names we will not make known but who are connected with the government.

For some reason a woman called Botero on behalf of the president and told him that for reasons beyond control, the lunch date had to be canceled. Botero felt lonely and disappointed.

The next day President Samper decides he is going to visit his friend, former Minister Fernando Botero, but Sunday noon, the "TV Today" newscast and NTC News began calling the Narino House to ask the president at what time he was going to go to the Cavalry Academy to visit Fernando Botero.

The president feels assailed by Botero, he feels in a trap, begins to see that Santos' statement and Gaviria's document had a definite aim and calls Botero on the telephone and demands to know why Botero wanted to get him into a trap. They had a big argument. The president ends it by telling Botero to go to hell and then hangs up. [passage omitted]

Returning to the scoop, the situation now is that relations between Samper and Gaviria apparently are broken and that relations between Colombia and the OAS are very difficult.

The government, or a sector of the government, believes that the Gaviria group is very responsible for much of the crisis. This sector says that Agenda 96 confirms this assessment.

This has been a summary of how the crisis developed. The crisis undoubtedly has promoters and adversaries. The crisis did not emerge by itself.

One last thing: Fernando Botero wants to study journalism in the United States. Apparently he already has the consent of the U.S. Embassy.

Colombian Councilman Accuses Camp of Cartel Links

PA2901043496 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 29 Jan 96

[Report by Gloria Stella Pinilla; from the "AM/PM" newscast]

[FBIS Translated Text] If public consultation is handled according to vested interests, it could deteriorate from its very beginning. The debate about this popular consultation is setting aside the significance of democracy and participation and is turning this mechanism into a political confrontation intended to polarize various opinions:

[Begin Juan Carlos Flores, councilman from Santa Fe de Bogota, recording] I believe that it is terrible for Gaviria's followers to try to profit from the crisis in which President Ernesto Samper is plunging this country. Moreover, Gaviria's followers are directly responsible for having coexisted with the Cali Cartel. It would be absurd to tell this country that there are two models of sustained development. What kind of development models are these? I would rather say these are pro-Gaviria and pro-Samper movements because, in fact, many individuals who have benefited from the previous government are still benefiting from this government. [end recording]

A country that wishes to solve a crisis would accept a consultation, but it will argue the way in which this consultation will take place:

[Begin recording] [Armando Novoa, former Constituent Assembly member] A broad national agreement should guarantee this consultation so that people may feel free to express their opinion in one way or another, without the dilemma of choosing between the continuation of President Samper's government or its replacement with representative forces of the Gaviria movement.

[Carlos Sossa, councilman from Santa Fe de Bogota] I believe that everyone in this country is aware of the seriousness of this crisis. That is why no one has to favor either side in order to express an opinion. [end recording]

Colombia's Samper Bans Missions From Comment

PA2701173996 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Jan 96 p 20

[By Rogelio Antonio Cordoba]

[FBIS Translated Text] Colombian President Ernesto Samper has banned his country's diplomatic missions throughout the world from issuing any opinions on that country's crisis or else face punishment.

Colombia is experiencing one of its worst political crises following the serious charges leveled against President Ernesto Samper in the past months. Former Defense Minister Fernando Botero has said the Colombian president "was aware" that drug trafficking money was used to finance his electoral campaign.

Carlos Mario Cano, media chief of the diplomatic mission in Panama, has confirmed that the Colombian Government has issued a communique urging Colombian diplomatic representatives to refrain from issuing opinions on the crisis in that country.

Cano has said the sole, valid punishment would be the dismissal of the government official, adding that "issuing an opinion would violate such an order" coming from the president.

The official added that the Foreign Ministry will issue a reply to the Panamanian Government regarding recent statements by Panamanian President Ernesto Perez Balladares.

The Panamanian president yesterday "doubted his own conviction" after learning of new charges leveled against the Colombian president.

Perez Balladares said "I believed in his innocence," but "I have to be very honest and sincere" because of these charges.

Meanwhile, Samper assured that resigning from the Presidency would be a cowardly act Colombians and even my own children would not forgive." [no opening quotation mark as published]

Colombian Envoy to U.S. Reaffirms Commitment to Job

PA2801205996 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 28 Jan 96

[Interview with Carlos Lleras de la Fuente, ambassador to the United States, by correspondent Jose Luis Ramirez in Santa Fe de Bogota; from the "Cripton Newscast" — live]

[FBIS Translated Text] [Ramirez] Mr. Ambassador, antidrug cooperation certification is an important issue to Colombians.

[Lleras] The U.S. Administration will issue certification by 1 March; Congress will either approve or reject it on 31 March. That is my main concern with respect to my diplomatic mission abroad. As I have said before, I will remain in charge of the embassy in the United States until the certification process is complete.

[Ramirez] You did not come to submit your resignation to the president? What will you tell him?

[Lleras] No. I came to report to the president on the situation in the United States and to explain the difficulties that I might face in carrying out my delicate and complicated duties due to Colombia's political deterioration.

Colombian Envoy to U.S. Disagrees With Referendum

PA2701024896 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 27 Jan 96

[Interview with Carlos Lleras de la Fuente, ambassador to the United States, by Cesar Mauricio Velasquez, in Washington, D.C.; date not given; from the "Seven O'Clock Newscast" — recorded]

[FBIS Translated Text] [Velasquez] It is already known that Ambassador Carlos Lleras will remain in his post. However, he revealed today that he does not share President Samper's efforts to hold a referendum. Ambassador, why didn't you resign?

[Lleras] Because I have a very big responsibility and that is to defend Colombia's position during this process in the United States. Thousands of Colombian workers and their families would be negatively affected if the result is negative. We have the responsibility to protect them.

[Velasquez] Do you back President Samper or the Colombian people?

[Lleras] I do not want to get into this issue, as it has been presented in Colombia, of who is to be backed or believed. I defend the interests of my country, because that was the mission entrusted to me by the government.

[Velasquez] But, do you back President Samper?

[Lleras] I do not think President Samper is asking me to back him but, rather, that I represent Colombia successfully. He thinks I can do this, and that is why he appointed me to this post.

[Velasquez] Do you approve of the referendum he wants to push?

[LLeras] I have not studied the issue thoroughly, but I do not believe it is the best formula for the country.

Colombian Envoy to Cuba Resigns From Post

PA2701054296 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 27 Jan 96

[From the "Seven O'Clock Newscast"]

[FBIS Translated Excerpt] Colombian Ambassador to Cuba Ricardo Santamaria has announced he is resigning out of personal convictions and not because of party matters.

Carlos Lleras de la Fuente, ambassador to the United States, said he will remain in his post to try to obtain the U.S. certification of Colombia. [passage omitted]

Colombian Envoy to Chile Resigns From Post

PA2801193396 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 28 Jan 96

[Report by Tatiana Mora from Santiago de Chile from "The Midday Newscast"]

[FBIS Translated Text] Colombian Ambassador to Chile Jorge Mario Eastman has just resigned from his post in this country. The diplomat, who has been a member of the Colombian Presidency more than once because he was President Cesar Gaviria's interior minister, has sent his resignation letter to President Ernesto Samper. In it, he has stated the following:

As a result of the latest domestic events that have serious and dramatic connotations at the international level and following my own conscience, I am informing you and Minister Pardo of the terms of the resignation I tendered to you on 15 January.

I must recall the trust you have deposited in me so far, but as a political ambassador appointed by your dignified predecessor, the fact that your government has not appointed anyone else to replace me, to which the Chilean Foreign Ministry can attest, tells me I did my job.

Ambassador Eastman also has said it is his duty as a fellow national [words indistinct] the Samper administration, but he has explained to Samper that he expects him to be loyal to the fatherland [words indistinct] quoting Juan Manuel Santos, he has said: I hope you will be loyal to your fatherland, which has filled you with honors [words indistinct] noble spirit.

Let me repeat: Colombian Ambassador to Chile Jorge Mario Eastman has just confirmed his resignation.

Colombian Envoy to Poland Rejects Media Statements

PA2801144796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Jan 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Santa Fe de Bogota — Colombian Ambassador to Poland Carlos Bulla Camacho has said he will demand on 30 January that Prosecutor General Alfonso Valdivieso [words indistinct] as a state official, adding that he will resort to legal means to [word indistinct] his enemies the damage they have inflicted on him.

It is not possible to present a small document containing the names of six departments and my name and to present this as evidence of the distribution of drug trafficking money, the diplomat has said. He has rejected statements by Santiago Medina, former treasurer of the Samper presidential campaign, that he was the person who distributed drug trafficking money in Colombia's southern departments that was allegedly collected by former Comptroller Manuel Francisco Becerra.

He has described as intolerable slander the statements of a person who is under arrest and under the disposal of the Prosecutor General's Office, in reference to Santiago Medina, to dishonor an ambassador and to create difficulties for the country.

Bulla Camacho has said he will address the prosecutor general, because he is the person in charge of protecting Colombians' honor and safeguarding their legal rights. I will consult what can be done in these cases, the Foreign Ministry official added.

Ambassador Carlos Bulla Camacho also [word indistinct] those who have leveled the charges against him, adding that he does not fear them and that he is prepared to fight them in any arena, because he has spent four-fifths of his political career fighting corruption and has never asked for positions but, rather, guarantees.

Colombian Envoy to Ecuador Denies Samper-Cartel Meeting

PA2801144696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Jan 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Colombian Ambassador to Ecuador Humberto Valencia has denied that President Ernesto Samper met with a Cali Cartel envoy on 4 September 1995 at the Colon Hotel in Quito. Valencia has said Samper met only with Maria Teresa Arias Diaz, a friend of the Samper family.

Denying the statements made by Santiago Medina, former treasurer of the Samper presidential campaign, Ambassador Valencia has said these accusations are an attempt to make President Samper leave the Presidency.

I swear to God and the fatherland that this meeting never took place, Valencia has furiously affirmed in response to a question on the matter, adding that it is absolutely false that has handed to the Prosecutor General's Office evidence on Samper's connections to the Cali cartel. I personally attended the president when he was a guest at the Colon Hotel where he arrived on 3 September, and I hosted a dinner for 170 people, including businessmen, industrialists, members of the Colombian community in Ecuador, and reporters.

He also has said Mrs. Arias was among the guests at the dinner. She asked the president to meet with her the following day at the Colon Hotel, and Samper agreed. The ambassador has stressed that Mrs. Arias was at the hotel the following day and that she has nothing to do with the Cali cartel.

Colombian Students Demand Samper's Resignation

PA2701041996 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 27 Jan 96

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Thousands of students gathered in Bolivar Plaza today to demand the resignation of President Ernesto Samper. A small group of veteran Samperists showed up amid the marchers. The quarrels that broke out were so good you just had to rent a balcony to witness them.

What is going on in the country could be summed today in Bolivar Plaza. Believers were on one side and nonbelievers were on the other. [Unidentified man shouts: He must subject himself to a court ruling! He is corrupt! He must go, he must go!] [crowd shouts: He must go, he must go!]

After marching down 7th Avenue to Bolivar Plaza from the north, the students of the most elite universities of Santa Fe de Bogota, demanded Samper's resignation by shouting and by carrying banners.

In one of the plaza's corners, just in front of the flower shop, a small group of Samperists tried to muffle the shouts by people asking for the president's resignation.

[Begin recording] [Unidentified Reporter] What is your opinion about those who are there asking him to go?

[Unidentified speaker] They are being paid, they are all being paid by the rich and by Andres Pastrana.

[Reporter] You want the president to stay?

[Unidentified speaker] I want him to stay because I am poor, sick, and crippled. I cannot work and I have kids to support. My kids enjoy medical services thanks to the president. They do not know what they are doing; they are a bunch of dirty kids who do not know what they are doing.

[Second unidentified speaker] We did not come here representing any party. We came on our own behalf. We came to defend the country. We did not come on Pastrana's behalf. We came here because we want to. [end recording]

There was a moment of tension that shows the country is changing. From the violence we are used to living each day, it

Ecuador

Visit to Ecuador by Peruvian General Previewed

PY2501190396 Quito Voz de Los Andes in Spanish 1700 GMT 25 Jan 96

[FBIS Translated Text] Early in February, the chief of the Peruvian Armed Forces joint command will visit Patuca, in Ecuador. Patuca was the Ecuadoran military operations center during the undeclared war between Peru and Ecuador one year ago.

Peruvian General Nicolas de Bari Hermoza will be received in Patuca by Ecuadoran counterpart General Jorge Ortega who announced that he will soon visit a Peruvian detachment near the demilitarized zone with Ecuador.

Patuca, 300 km south of Quito and 50 km from the border conflict zone, was the headquarters of the Ecuadoran military operations center between 26 January and 28 February 1995 during the military conflict between the two Andean nations.

Ortega said the purpose of the visit is to try to instill, once again, measures of confidence, to inspect and see first hand the work of the Ecuador-Peru Military Observers Mission, Momep.

Military representatives from Argentina, Brazil, Chile, and the United States comprise the Momep and supervise the fulfillment of the peace agreement signed by Peru and Ecuador after the war.

Ortega said that on the day of the visit, which has not yet been determined, military representatives of Argentina, Brazil, Chile, and the United States — the guarantor countries of the Rio de Janeiro protocol — will meet in Patuca and Quito. Ortega said they will meet with the Ecuadoran Joint Command in Quito, who termed the event highly positive in the search for peace.

The meeting is organized by Momep according to the Ecuadoran military official who noted that de Bari Hermoza and military representatives in Ecuador will only meet for a few hours. Ortega did not state the date or other details of the meeting.

Ecuador 'Concern' Over Peru's Conditions for Talks

PY2601162796 Madrid EFE in Spanish 0915 GMT 26 Jan 96

[FBIS Translated Text] Quito, 26 Jan (EFE) — Ecuador recalled with concern the first anniversary of the armed conflict with Peru due to the statements by Peruvian

Foreign Minister Francisco Tudela, who virtually conditioned negotiations in search of an immediate agreement if the subsistent bilateral disagreements are not overcome.

Military clashes between Ecuadoran and Peruvian troops started on 26 January in the inhospitable Cenepa River valley in the Amazon, due to a dispute over a portion of land 78 km long that lacks landmarks.

The clashes, which resulted in dozens of deaths on both sides, lasted until 28 February, but one day after the peace agreement signed on 17 February in Brazil was ratified in Uruguay. Tudela allegedly asserted that if the subsistent "impasses" with Ecuador were not overcome, his country would have asked for the immediate intervention of the guarantor countries for the "demarcation of the 78 km that lack landmarks."

Argentina, Brazil, Chile, and the United States are the guarantor countries that in 1995 prevented a military conflict between Ecuador and Peru from leading to a full-scale war.

In 1942 the guarantor countries also got the two countries to sign the Rio de Janeiro protocol, that sealed peace after a war in the Amazon in 1941.

Tudela allegedly made these comments at the Peruvian Congress, where he allegedly went to give an account of the negotiations with Ecuador, although he had agreed with his Ecuadoran counterpart that those meetings were of "a secret nature."

Leoro commented: "I do not know why the Peruvian foreign minister hurries to disclose matters discussed during a meeting that was supposed to be secret."

Ecuadoran Deputy Foreign Minister Marcelo Fernandez de Cordoba urged his fellow citizens to be patient because "negotiations with Peru will probably be difficult, arduous, and probably long."

Fernandez de Cordoba, in referring to a definitive solution to the conflict with Peru, said that people shouldn't believe that "a solution will be found for each problem the negotiators and people in charge of the key problem will meet."

The foreign ministers of Ecuador and Peru are scheduled to meet for a second time on 22 February, this time in Quito, to continue the dialogue in an attempt to establish the procedures to make progress towards a peaceful solution to their problems.

On 17 January in Lima, Leoro and Tudela met for the first time in an attempt to find a solution to the territorial conflict in the Amazon, at the headwaters of the Cenepa River, 350 km south of Quito, where they started fighting one year ago.

General Paco Moncayo, commander in chief of the Ecuadoran Army, asserted that "when I heard about those alleged statements (by Tudela), I got very worried," although he said he will have to "confirm" whether or not these statements reflect Tudela's stance.

Moncayo was chief of the Ecuadoran military operations during the conflict with Peru last year and is considered one of the most respectable military men by the Ecuadoran public opinion.

In the negotiations between Ecuador and Peru, "the attitude of the two countries is fundamental, because there may be one 'impasse' that will never be solved if there is no desire for a rapprochement, or there could be 50 'impasses' easily solved."

Marcelo Fernandez de Cordoba stated that "the process will continue in Quito on 22 February, the talks will continue and the positions of the two countries will be ironed out to start the key process later on."

Ecuador Calls For Electoral Campaign Free of Violence

PY2601183896 Quito Voz de Los Andes in Spanish 1700 GMT 26 Jan 96

[FBIS Translated Text] Government Minister Xavier Ledesma has asserted that President Sixto Duran-Ballen's government is satisfied with the call for elections in May by the Supreme Electoral Court. He also said that this administration will guarantee freedom of expression fully in force in a state of law and also makes an appeal to all candidates to adopt noble attitudes and engage in positive debates.

[Begin Ledesma recording, in progress] ...and data so that the campaign may develop within an atmosphere characterized by as little violence as possible and great honesty.

I wish to point out that the government [word indistinct] guarantees that are fully in force because a state of law prevails, makes an appeal for the campaign to be characterized by noble actions and a positive debate. A nation's stability can be safeguarded if the groups and candidates, or political sectors engaged in the electoral process do not generate degrees of violence that may have repercussions when they take over power. [end recording]

Minister Ledesma asserted that this administration promises to guarantee a clean, honest, independent electoral campaign free of violence.

Ecuador: Environmental Developments

96P20239

[FBIS Report] New Environment Fund—President Sixto Duran-Ballen approved the Ecuadoran Environmental Fund (FAN) on 17 January and launched a national environmental information campaign. The FAN's principal objective is to "finance plans, programs, projects, and activities promoting the protection, conservation, and rehabilitation of natural resources and the environment. (Quito HOY in Spanish 18 Jan 96—Received via Internet)

New Mangrove Regulations—New regulations for the management, conservation, and use of the nation's remaining coastal mangrove forests were approved by President Sixto Duran-Ballen. The goal is to regulate and control productive activities in areas containing mangrove forests. The regulations forbid the industrial use of mangrove and other flora and fauna species inhabiting mangrove ecosystems, and also the installation of plants emitting toxic waste. Furthermore, Resolution 052 creates the new Cayapas-Mataje protectd area in northern Esmeraldas Province. Ecuador's remaining mangrove forest "redoubts" are located principally in northwestern Esmeraldas and southwestern Guayas Provinces in an area comprising 80,000 to 100,000 hectares, down from 200,000 10 years ago. Shrimp farms are said to be the main cause of the progressive disappearance of the forests. (Quito EL COMERCIO in Spanish 5 Jan 96 p C2)

Texaco-Government Agreement—The Confederation of Indian Nationalities of Ecuadoran Amazonia (Confenaie) protested in a communique to Energy Minister Jorge Pareja the accord signed between the Ecuadoran Government and Texaco, under which the Federation of Ecuadoran Native Communities (Fecunae) received $1 million compensation for schools, medical centers, and forestry and fishing projects. Describing the agreement as "unrealistic," Confenaie said that it does not take into account "20 years of oil spills, deforestation, water contamination; it ignores problems such as alien diseases, prostitution, and lack of food; and it "deliberately witholds information about and fails to guarantee any kind of environmental rehabilitation. The organization is demanding the elimination of sources of contamination: formation water and oil pools. Measwhile, the suit filed against Texaco by 62 Cofane Indians and settlers in the United States is still pending. (Quito EL COMERCIO in Spanish 27 Dec 95 p C2)

Huaoranis Demand Negotiations—Armando Boya, president of the Organization of the Huaorani Nation of Ecuadoran Amazonia (Onhae), has demanded that the Oryx and ELF petroleum companies negotiate with the community in exchange for being allowed to continue to prospect for oil within the 679,130-hectare Huaorani reserve located in Napo Province. Negotiations, Onhae said, would revolve around the following issues: creation of adequately equipped health centers, schools, and community development infrastructure, as well as the implementation of environmental protection programs. The Huaorani nation threatened to take "radical action" which could take the form of invasion of the encampments, setting up of boundaries around their reserve, and disseminating accusations to the international community. (Quito EL COMERCIO in Spanish 22 Dec 95 p C1)

Mexican Model Applied to Esmeraldas—Similar biodiversity and ethnic groups in Mexico's Quintana Roo and Ecuador's Esmeraldas tropical forest have encouraged the Mexican experiment of tropical forest sustainable management to be applied to 20,000 hectares of tropical forest in northwest Esmeraldas Province. The project, financed by the German Government with an initial investment of 2.5 million marks, will affect 5,000 Chachi Indian and black families living in the area. The object is to reduce the wasteful exploitation of fine woods, such as mahogany and ebony, and allow the inhabitants to benefit directly by marketing the forest products. (Quito EL COMERCIO in Spanish 27 Nov 95 p E1)

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